



July 1, 2025

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, D.C. 20510

Dear Speaker Johnson,

The National Restaurant Association and our 52 state partners applaud your leadership to make permanent pro-growth tax policy that will fuel employment, advancement, and investment in restaurants. The restaurant industry is the second-largest private sector employer in the U.S. with over 15.7 million employees.

As you know, the restaurant industry is largely comprised of small, family-owned businesses who are directly affected by these tax policies. 77% of restaurants in the U.S. are organized as pass-through businesses, which provide 72% of all jobs. More than 540,000 restaurants are organized as pass-through businesses, and 94% of these restaurants employ fewer than 50 people.

Our organizations thank you for your work to restore pro-growth tax policy, and we urge Congress to make permanent:

1. The qualified business income (QBI) deduction.
2. Full expensing for capital equipment purchases.
3. A restored business interest expense standard.

The scheduled expiration of the QBI deduction for pass-through businesses would be devastating for restaurant operators, employees, and the communities they serve. In a survey, 85% of pass-through business owners say the expiration of the QBI deduction would have a significant impact on their restaurant's ability to be successful and provide jobs. The local economic ripple effects could include scaling back investment in small and independent restaurants, fewer job opportunities, reduced hours of operation, and even potential closures.

Restaurant operators are already struggling to balance increasingly restrictive tax deduction limits. The reduced benefit of both the full expensing percentage rate and business interest expense standard directly reduces a restaurant operator's cash-on-hand and ability to invest in people, kitchen equipment, and improvements.

The economy needs relief as food prices have risen by 40% since 2020, and total restaurant input costs remain 30% higher since the pandemic. Nearly every county or county equivalent in the U.S. has at least three restaurants, and their impact reaches deep into their local economy. Additionally, ideas like *No Tax on Tips* and *No Tax on Overtime* could help millions of restaurant workers earn more take home pay.

The restaurant and foodservice industry is more than just a sector of the economy; it is the heartbeat of our communities. Every meal served, every job created, and every dollar earned represents the dreams and hard work of countless individuals and families.

We encourage Congress to swiftly approve these essential tax policies that can support restaurant operators, employees, and communities across the country.

A handwritten signature in black ink, appearing to read "Michelle L. Korsmo". The signature is fluid and cursive, with the first name "Michelle" being more prominent than the last name "Korsmo".

Michelle L. Korsmo
President & CEO, National Restaurant Association

Alabama Restaurant & Hospitality Association
Alaska Cabaret, Hotel, Restaurant and Retailers Association
Arizona Restaurant Association
Arkansas Hospitality Association
California Restaurant Association
Colorado Restaurant Association
Connecticut Restaurant Association
Restaurant Association of Metropolitan Washington
Delaware Restaurant Association
Florida Restaurant & Lodging Association
Georgia Restaurant Association
Hawaii Restaurant Association
Idaho Lodging & Restaurant Association
Illinois Restaurant Association
Indiana Restaurant & Lodging Association
Iowa Restaurant Association
Kansas Restaurant & Hospitality Association
Kentucky Restaurant Association
Louisiana Restaurant Association
Hospitality Maine
Restaurant Association of Maryland
Massachusetts Restaurant Association
Michigan Restaurant & Lodging Association
Hospitality Minnesota
Mississippi Hospitality and Restaurant Association
Missouri Restaurant Association
Montana Restaurant Association
Nebraska Hospitality Association
Nevada Restaurant Association
New Hampshire Lodging & Restaurant Association
New Jersey Restaurant & Hospitality Association
New Mexico Restaurant Association
New York State Restaurant Association
North Carolina Restaurant & Lodging Association
North Dakota Hospitality Association
Ohio Restaurant & Hospitality Alliance
Oklahoma Restaurant Association
Oregon Restaurant & Lodging Association

Pennsylvania Restaurant & Lodging Association
Asociación de Restaurantes de Puerto Rico
Rhode Island Hospitality Association
South Carolina Restaurant & Lodging Association
South Dakota Retailers Association
Tennessee Hospitality & Tourism Association
Texas Restaurant Association
Utah Restaurant Association
Vermont Chamber of Commerce
Virginia Restaurant, Lodging, & Travel Association
Washington Hospitality Association
West Virginia Hospitality and Travel Association
Wisconsin Restaurant Association
Wyoming Hospitality and Travel Coalition