



January 22, 2024

The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
H-232 U.S. Capitol  
Washington, D.C. 20515

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
2433 Rayburn HOB  
Washington, D.C. 20515

The Honorable Chuck Schumer  
Majority Leader  
U.S. Senate  
322 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
317 Russell Senate Office Building  
Washington, D.C. 20510

Dear Speaker Johnson, Leader Schumer, Leader Jeffries, and Leader McConnell:

On behalf of the restaurant industry, we strongly urge Congress to swiftly pass the bipartisan *Tax Relief for American Families and Workers Act*. This legislation offers critical tax provisions that will strengthen the restaurant industry, drive job creation, and boost Main Street economic growth.

The National Restaurant Association is the leading business association for the U.S. restaurant industry, comprised of more than one million outlets with a workforce of over 15.5 million people. Almost every U.S. county has at least one restaurant, making restaurants the backbone of most communities.

Nearly three-quarters of restaurants are independent operations which run on 3-5 percent pre-tax margins. At the height of the pandemic, many of these operators had to take loans just to keep their doors open and pay their employees. Loan repayments began just as inflationary pressure pushed the price of food to the highest levels in decades and labor shortfalls increased payroll costs. Additionally, higher interest rates spiked the cost of new capital for Main Street small and medium-sized restaurants. As these costs mount, the limitation on business interest expensing (Sec. 163j) – and the nearly 30 percent overall tax liability increase many restaurant operators face due to the limit – becomes much more painful.

**This bipartisan legislation takes a major step to help restaurants operators by restoring business interest deductibility before expenses, taxes, depreciation, and amortization.**

With business interest expensing restored, restaurants can free up valuable resources for investments in employee opportunities and restaurant operations, creating an economic multiplier effect in local communities. Without this legislation, Main Street restaurants will be left at an unfair crossroad – pay more for upgrades due to the high cost of borrowing or lose competitiveness by not investing in renovations or improvements.

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The Association also supports the legislation's acceleration of bonus depreciation, which will help restaurant owners recoup their investments faster. New equipment and technology help both streamline operations and improve energy efficiency.

Restaurants added nearly 300,000 jobs during 2023 and the overall restaurant employment surpassed pre-pandemic levels in late 2023. However, the extent of the industry's recovery remains vulnerable as different segments of dining and overall economic trends have a direct impact on local communities. Operators urge Congress to restore tax certainty in business interest expensing and bonus depreciation this year.

The *Tax Relief for American Families and Workers Act* will create a ripple effect of positive outcomes for restaurant employees, customers, and the broader industry. We urge Congress to act swiftly and pass this critical legislation.

Sincerely,

A handwritten signature in black ink that reads "Sean Kennedy". The signature is written in a cursive, slightly slanted style.

Sean Kennedy  
Executive Vice President of Public Affairs