



Federal Update:

Restaurant Law Center Joins Fight to Protect Unique IL Swipe Fee Law

The background: Illinois passed a first-of-its-kind law exempting state sales taxes and employee tips from swipe fees. In both cases, restaurants do not keep any of the money but pass it on to servers or the local government. However, credit card companies force operators to pay swipe fees on these amounts when they are processing payment. The law is scheduled to take effect on July 1, 2025.

What's new: The Restaurant Law Center (RLC), along with the Illinois Restaurant Association and the Retail Litigation Center, have filed an amicus brief in the District Court for the Northern District of Illinois in support of the Interchange Fee Prohibition Act. The RLC amicus highlights how preserving the new law would “help alleviate the weighty financial burden of wasteful and unnecessary fees on businesses, consumers, and workers alike.” Read the motion [here](#) and the brief [here](#).

On the other side: Financial companies are challenging the law in court, asking for a preliminary injunction based on a violation of federally preemptive banking laws.