Junk Fees Regulations
Tips for Restaurants

What?

The Attorney General's Office recently issued a new set of regulations which prevent businesses from using hidden fees called "junk fees" when displaying prices.

These regulations prohibit the use of junk fees and – most important for restaurants – require restaurants to clearly provide customers the total price of food, including fees, on menus and bills.

The total price is the maximum amount that the consumer is required to pay.

When Will These Regulations be Enforced?

These new regulations go into effect on September 2, 2025.

After that date, these regulations may be enforced by the Attorney General in the same manner as other violations of the Consumer Protection Law, found in General Laws chapter 93A. Pursuant to chapter 93A, there is also a private right of action, which means that individual consumers can file a lawsuit to pursue their rights.

Why?

These new regulations aim to increase price transparency.

This increased transparency ensures that customers understand the cost of products before they make the choice to purchase them. It also helps preserve an equal playing field for businesses.

How Can You Comply?

To ensure compliance, restaurants should stick to the following guidelines:

1) All fees must be incorporated into the total price of a product wherever prices are displayed on menus and bills
2) Mandatory service charges for waitstaff serving large parties are permitted; make sure to clearly display the amount and conditions of the charge (e.g., 18% tip added to parties of 6 or more) on the menu
3) Taxes do not have to be included in menu prices, but must still be disclosed on the bill
4) Restaurants can advertise discounts during certain times of day without stating a new menu price
5) Food delivery services which depend on restaurant prices to calculate delivery fees may advertise menu prices as total price, but must also clearly display the maximum mandatory delivery fee

Read 940 CMR 38 here!

Read the guidance for 940 CMR 38 here!

“Kitchen Appreciation Fee” Examples

The following examples are being provided in response to questions from restaurants about whether certain surcharges intended to directly compensate back-of-house employees, often called “kitchen appreciation fees,” may be lawfully imposed in compliance with 940 CMR 38. The examples are for illustrative purposes only and are meant to demonstrate how restaurants can implement such fees in a compliant manner.

EXAMPLE 1:

Kitchen appreciation fee of 3% of the subtotal is included in the cost of the menu items. The restaurant has chosen to list the fee to give the patron more information about the price of their meal, so it must clearly and conspicuously describe the nature, purpose, and amount of the fee on the receipt. The total price is prominently displayed.

RECEIPT

BEST BRUNCH DINER
123 FOURTH STREET
WORCESTER, MA 01604

- - - - - - - - - -- - - - -

ORDER: 140
9/5/2025 10:35 AM
SERVER: JEFF

- - - - - - - - - -- - - - -

SALE:

1 XL BELGIAN WAFFLE	$14
2 SIDE SAUSAGE	$10
1 GREEK OMELETTE	$15
2 COFFEE	$5
SUBTOTAL:	$44
TAX:	$2.75
TOTAL:	**$46.75**

3%($1.32) of the subtotal on your bill constitutes a kitchen appreciation fee that goes directly to our kitchen staff. This fee does not represent a tip or service charge for wait staff employees, service employees, or service bartenders.

EXAMPLE 2:

Kitchen appreciation fee of 3% of the subtotal is included in the cost of the menu items. The restaurant has chosen to list the fee to give the patron more information about the price of their meal, so it must clearly and conspicuously describe the nature, purpose, and amount of the fee on the receipt. In this example, the restaurant has provided a breakdown of base menu price separately from the kitchen appreciation fees at the bottom of the bill. The total price is prominently displayed.

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                    RECEIPT

              BEST BRUNCH DINER
              123 FOURTH STREET
             WORCESTER, MA 01604
- - - - - - - - -- - - - - - - - -
ORDER: 140
9/5/2025 10:35 AM
SERVER: JEFF
- - - - - - - - -- - - - - - - - -
SALE:

1 XL BELGIAN WAFFLE     $14
2 SIDE SAUSAGE          $10
1 GREEK OMELETTE        $15
2 COFFEE                $5

SUBTOTAL:               $44
BASE MENU PRICES:   ($42.68)
KITCHEN APP. FEE:   ($1.32)
TAX:                    $2.75
TOTAL:                  $46.75

3%($1.32) of the subtotal on your bill
constitutes a kitchen appreciation fee
that goes directly to our kitchen staff.
This fee does not represent a tip or
service charge for wait staff employees,
service employees, or service bartenders.
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