

# Maryland Digital Advertising Services Tax—Implementation Delay Likely

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On the morning of Friday, February 26, 2021, the Maryland Senate Budget and Taxation Committee added a new item to its agenda for the hearing later that morning. The new item was proposed amendments to Senate Bill 787, a bill that would amend the Maryland Digital Advertising Tax by excluding broadcasters and news media and preventing service providers from directly passing the tax through to customers. One of the amendments would change the tax years to which the tax applies from tax years beginning after December 31, 2020, to tax years beginning after December 31, 2021. The amendment passed on a voice vote.

The amendment was sponsored by the bill's author, Senate President Bill Ferguson. Senator Ferguson was also the chief proponent of the Digital Advertising Services Tax. A companion bill, House Bill 1200, sponsored by House Majority Leader Eric Luedtke, came up for a hearing in the House Ways and Means Committee later that day, but only testimony from supporters of the two carve-outs was received. No amendments were offered, and no votes were taken.

Because the amendment delaying the implementation of the Digital Advertising Services Tax is coming from the Senate's president, we believe its passage a near certainty. This amendment, if passed, would not delay the effective date of the tax, it would only change the tax year to which it first applies from 2021 to 2022.

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