



MARYLAND GENERAL ASSEMBLY

House Ways and Means Committee

**Written Testimony of Timothy G. Nelson on behalf of the
Maryland-DC-Delaware Broadcasters Association
Regarding House Bill 1515
“Sales and Use Tax – Rate Reduction and Services”**

March 7, 2024

Thank you for the opportunity to submit this written testimony regarding House Bill 1515, “Sales and Use Tax – Rate Reduction and Services.” My name is Tim Nelson, and I serve as counsel to the Maryland-DC-Delaware (MDCD) Broadcasters Association.¹

The MDCD Broadcasters Association and its Members, which include approximately 20 television stations and 110 radio stations, strongly urge the House Ways and Means Committee to reconsider House Bill 1515’s overly broad approach to expanding Maryland’s tax base and to expressly exclude from this Bill—and any other proposal—the taxation of advertising.

HB 1515’s current, expansive definition of “taxable service” includes advertising services. Simply stated, taxing advertising in Maryland would be extremely detrimental for local media entities like MDCD’s Member television and radio stations, as well as print and online newspapers. It would also be devastating for small businesses. And it would hurt Maryland’s consumers, too.

Maryland’s local TV and radio stations are licensed by the Federal Communications Commission for the express purpose of advancing the public interest through service to their local communities, and they are available to the public for free, over-the-air. Local radio stations depend on the sale of advertising to generate nearly all of their revenue, and advertising sales similarly make up the majority of revenue for local television stations. Advertising revenue enables Maryland’s broadcast stations to fulfill their mandate to serve Maryland’s citizenry and the public interest, providing stations the means to reinvest in their newsrooms—including by providing meaningful employment to numerous Maryland citizens—as well as the local communities they serve throughout the State.

Taxing advertising would substantially increase the cost of advertising. Among HB 1515’s other harms, that increase in cost, in turn, would lead to decreased revenues for the local newsrooms that serve Marylanders, and it would impede stations’ ability to offer the high-quality, trusted, local news, weather, emergency information, and sports and entertainment programming

¹ The Maryland-DC-Delaware Broadcasters Association is a voluntary, non-profit trade association that advocates for the interests of its member radio and television stations and, more generally, the interests of broadcasting in Maryland, Delaware, and Washington, D.C.

on which Maryland's citizens rely. Local newsrooms are already struggling; now is not the time to make it harder, or more expensive, to provide the public with high-quality journalism and trustworthy information through a tax on advertising.

Any advertising tax would also be catastrophic for small businesses. Ask any business, large or small, and they will tell you: advertising is critical to their survival. Spending money on advertising is a necessary expense that small businesses must incur in order to promote their goods and services and compete. Small businesses here in Maryland advertise on local TV and radio, on stations' websites, and on other local media. Increasing those businesses' core operational costs only makes it harder for them to stay open.

The Maryland-DC-Delaware Broadcasters Association strongly urges the Committee to reconsider HB 1515's taxation of advertising services. We look forward to working with the Committee on this important legislation.

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