

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 891  
Ways and Means

(Delegates Vogel and Foley)

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Income Tax - Local Newsroom Tax Credit

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This bill allows a local newsroom (as defined) to claim a refundable credit against the State income tax in an amount equal to \$15,000 of the wages paid to each full-time local newsroom employee (\$25,000 for the first year for which the credit is claimed with respect to an individual employee). A local newsroom may not claim the credit for more than five tax years for any individual newsroom employee. A local newsroom that is exempt from taxation under §501(c) of the Internal Revenue Code may apply the credit against the employer withholding tax. **The bill takes effect July 1, 2025, and applies to tax year 2025 and beyond.**

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Fiscal Summary

**State Effect:** General fund revenues decrease by an indeterminate but likely significant amount annually beginning in FY 2026. To the extent credits are claimed against the corporate income tax, Higher Education Investment Fund (HEIF) revenues and Transportation Trust Fund (TTF) revenues and expenditures also decrease. The Comptroller’s Office can implement the bill with existing budgeted resources.

**Local Effect:** Local highway user revenues may decrease beginning in fiscal 2026 to the extent credits are claimed against the corporate income tax.

**Small Business Effect:** Meaningful for small business local newsrooms.

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Analysis

**Bill Summary:** “Local newsroom” means a news organization in the State that (1) primarily covers local communities in the State; (2) employs at least one full-time

newsroom employee; (3) has been publishing or broadcasting news for at least one year; and (4) carries a media liability insurance policy at all times during a tax year. It does not include a news organization that is owned or funded by a political advocacy group, as specified.

“Local newsroom employee” means an employee engaged or assisting in the gathering, preparing, collecting, writing, recording, directing the recording, producing, editing, photographing, reporting, presenting, or publishing of local community news in the State for dissemination to the local community.

**Current Law:** No similar State income tax credit exists.

**State Fiscal Effect:** General fund revenues decrease by an indeterminate amount annually beginning in fiscal 2026 due to credits claimed against the State income tax and the employer withholding tax. Due to data limitations, the precise effect on State revenues cannot be reliably estimated at this time; however, a preliminary analysis using Economic Census data published by the U.S. Census Bureau suggests that the effect is likely to be significant. To the extent credits are claimed against the corporate income tax, HEIF and TTF revenues also decrease, as do TTF expenditures for capital transportation grants to local governments (local highway user revenues).

**Local Revenues:** Local highway user revenues decrease to the extent credits are claimed against the corporate income tax.

**Small Business Effect:** Small business local newsrooms are potentially eligible for substantial benefits under the bill. As noted above, the tax credit is both fully refundable and of significant value.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Comptroller’s Office; U.S. Census Bureau; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2025  
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Analysis by: Elizabeth J. Allison

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510