

HOUSE BILL 484

Q3, J1

6lr1054

By: **Delegates Ziegler, Feldmark, Terrasa, Addison, Charkoudian, Cullison, Ebersole, Guzzone, Hill, Moreno, and Watson**

Introduced and read first time: January 23, 2026

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Corporate Income Tax – Addition Modification – Direct-to-Consumer**
3 **Pharmaceutical Advertising**

4 FOR the purpose of providing an addition modification under the corporate income tax for
5 the amount of certain direct-to-consumer advertising expenses for certain covered
6 drugs paid or incurred during the taxable year that are deducted under the Internal
7 Revenue Code; and generally relating to an addition modification for
8 direct-to-consumer advertising expenses.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–305(a)
12 Annotated Code of Maryland
13 (2022 Replacement Volume and 2025 Supplement)

14 BY adding to
15 Article – Tax – General
16 Section 10–305(e)
17 Annotated Code of Maryland
18 (2022 Replacement Volume and 2025 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
20 That the Laws of Maryland read as follows:

21 **Article – Tax – General**

22 10–305.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(a) To the extent excluded from federal taxable income, the amounts under this section are added to the federal taxable income of a corporation to determine Maryland modified income.

(E) (1) (I) IN THIS SUBSECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(II) “COVERED DRUG” MEANS:

1. A PRESCRIPTION DRUG PRODUCT AS DEFINED IN § 735 OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT; OR

2. A DRUG COMPOUNDED IN ACCORDANCE WITH § 503A OR § 503B OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(III) “COVERED ENTITY” MEANS:

1. A SPONSOR OF A PRESCRIPTION DRUG PRODUCT AS DEFINED IN § 735 OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT; OR

2. A PERSON THAT, EITHER DIRECTLY OR INDIRECTLY THROUGH A SUBSIDIARY, OWNS AN OUTSOURCING FACILITY AS DEFINED IN § 503B OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(IV) 1. “DIRECT-TO-CONSUMER ADVERTISING” MEANS ANY DISSEMINATION, BY OR ON BEHALF OF A COVERED ENTITY, OF AN ADVERTISEMENT THAT IS IN REGARD TO A COVERED DRUG AND PRIMARILY TARGETED TO THE GENERAL PUBLIC, INCLUDING THROUGH:

A. BROADCASTING THROUGH MEDIA SUCH AS RADIO, TELEVISION, TELEPHONE COMMUNICATION SYSTEMS, DIRECT MAIL, AND BILLBOARDS; AND

B. DISSEMINATION ON THE INTERNET OR THROUGH DIGITAL PLATFORMS, INCLUDING SOCIAL MEDIA, MOBILE MEDIA, WEB APPLICATIONS, DIGITAL APPLICATIONS, MOBILE APPLICATIONS, AND ELECTRONIC APPLICATIONS.

2. “DIRECT-TO-CONSUMER ADVERTISING” DOES NOT INCLUDE AN ADVERTISEMENT MADE THROUGH PUBLICATION IN JOURNALS AND OTHER PERIODICALS.

(2) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES ANY EXPENSES PAID OR INCURRED DURING THE TAXABLE YEAR THAT ARE

1 DEDUCTED UNDER § 162 OF THE INTERNAL REVENUE CODE FOR
2 ~~DIRECT-TO-CONSUMER~~ ADVERTISING OF COVERED DRUGS.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
4 1, 2026, and shall be applicable to all taxable years beginning after December 31, 2025.