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**TESTIMONY - SENATE BILL 2**  
**DIGITAL ADVERTISING GROSS REVENUES – TAXATION**  
**SENATE BUDGET AND TAXATION COMMITTEE**  
**JANUARY 29, 2020**

Chairman Guzzone and Fellow Committee Members:

Senate Bill 2 is a straightforward piece of legislation that creates a tax on digital ad revenues for companies that bring in at least \$100 million a year in global digital ad revenue. The bill creates four corresponding tax brackets as follows: a 2.5% assessable rate on companies which bring in \$100 million and \$1 billion in global ad revenue, a 5% assessable rate on companies which bring in between \$1 billion and \$5 billion in annual global ad revenue, a 7.5% assemble rate on companies which bring in between \$5 billion and \$15 billion in annual global ad revenue, and a 10% assessable rate on companies which bring in over \$15 billion in annual global ad revenue.

In seeking funding through this mechanism, we also create a much-needed avenue to regulate massive technology corporations who monetize consumer data through targeted advertising. For years, large multinational companies have attained unbridled profits from the use of consumer data. This legislation simply puts a check on that practice and a loose bridle on those profits.

This legislation is an innovative way to provide needed funding for the Kirwan Education Blueprint. As a state, we face a multi-billion dollar commitment to modernize our education system for the benefit of generations to come. The funding attained through the creation of this digital advertising tax will increase state revenues to fund the Kirwan Education Blueprint and do so without raising taxes on Maryland's citizens.

For the reasons listed above, I ask for a favorable report of Senate Bill 2.