



**Hearing Testimony February 28, 2020
House Ways and Means Committee
Service Employees International Union, Local 500, CtW, CLC**

House Bill 695 – Digital Advertising Gross Revenues - Taxation

SUPPORT

SEIU Local 500 represents over 20,000 working people in the region. Our union represents the support staff at the Montgomery County Public School system, Family Child Care Providers, faculty at institutions of higher education, staff at non-profits, and many other working people. SEIU Local 500 recognizes that as Maryland undertakes the most comprehensive transformation of our education system in a generation, it is imperative to find new and innovative ways to gather the revenues necessary to give our children the education they deserve. This is why today we submit this testimony in support of House Bill 695, which would raise revenues from digital advertising in the state to help fund our schools.

Families, individuals, and small businesses all across our state contribute to our children's future by helping to fund our public schools. With so much business now being done entirely online, local businesses have struggled to compete with companies that have none of the overhead costs of owning a physical business. Compounding this inequity is that brick and mortar Maryland businesses also pay toward our children's schools, while online advertisers go untaxed. Last session, the General Assembly ensured that online retailers could no longer avoid paying sales tax in Maryland, which solved one part of this problem. Now, it's time to continue what was started last session by making sure another class of online businesses, advertisers, also pay their share. That's exactly what HB695 offers: a way to raise revenues for our children that keeps up with the changes in our technology, our economy and the digital marketplace. It's time for our tax code to start catching up with the new economy - and we have no better reason or motivation than the education of our children.

By passing HB695 this session, the General Assembly can help to ensure that Maryland can raise additional revenues to fully fund our state's public schools in a fair and equitable manner. It is for this reason that SEIU Local 500 asks for your support for HB695 and strongly urge a favorable committee report. Thank you each for your dedication to passing this legislation, to fairness and justice, and to the working people of our state – and thank you for considering our testimony.

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