



Maryland | Delaware | DC Press Association

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To: Budget & Taxation Committee

From: Rebecca Snyder, Executive Director, MDDC Press Association

Date: February 17, 2021

Re: **SB 787 - SUPPORT**

The Maryland-Delaware-District of Columbia Press Association represents a diverse membership of newspaper publications, from large metro dailies like the Washington Post and the Baltimore Sun, to online-only publications such as MarylandReporter.com and Baltimore Brew to hometown newspapers such as The Star Democrat and the Dorchester Banner.

The Press Association supports Senate Bill 787, which provides a narrowly tailored exemption from the digital advertising tax to news media and broadcast entities. As written, the digital advertising tax that is a part of HB 732, which the Maryland General Assembly approved last week with votes to override Governor Hogan's veto, would severely affect our member news organizations. Digital advertising is offered by many of our membership as part of a holistic package of advertising services to meet the needs of local advertisers. As passed, HB 732 will almost certainly increase the cost of digital advertising and will therefore reduce overall advertising revenue. HB 732 will tax many of our local newspapers who are owned by larger corporate entities, but who are still required to be individually viable.

SB 787 fixes those problems by exempting news media, including newspapers, news websites and broadcasters from paying the digital advertising tax. The exemption acknowledges the vital importance of Maryland's local news outlets in providing news and commentary to our local communities. And the exemption recognizes that many of those news outlets, which were already under substantial strain as they transition from print to on-line publications, have been under significant additional pressures as they face attacks on role of the press, as well as the pandemic and the resulting economic downturn. We appreciate that Senator Ferguson recognizes the importance of local newsgathering and understands the role of revenue from digital advertising in supporting news reporting in local communities.

We encourage the committee to stand with news media and issue a favorable report.



**We believe a strong news media is
central to a strong and open society.**

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