



**MARYLAND**  
Chamber of Commerce

**LEGISLATIVE POSITION:**

**Favorable**

**House Bill 791**

**Sales and Use Tax – Digital Product - Definition**

**House Ways and Means Committee**

**Wednesday, February 23, 2022**

Dear Chairwoman Atterbeary and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 5,500 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

HB 791 alters the definition of digital product to exclude certain products such as software, software as a service, or a product where the purchaser holds a copyright for that produce or some other intellectual property interest. HB 791 is in response to the ‘digital products tax’ passed in 2020 and is intended to increase clarity and help with compliance. HB 791 seeks to reduce unintended taxation while maintaining the legislative intent of the original policy passed in 2020 by making clear that certain business purchases, which were not intended to be subject to sales and use tax, will remain non-taxable.

HB 791 is the product of a year-long work group representing many different industry sectors of Maryland’s business community. The work group was formed in response to the 2020 law to find ways of seeking clarity and guidance, much of which was addressed in SB 787 of 2021. HB 791 is a consensus solution, while remaining revenue neutral, to the final outstanding clarity issues in the original legislative text.

The legislation before you is a **Maryland Chamber of Commerce priority for the 2022 legislative session**, therefore, we respectfully requests a **favorable report** on **HB 791**.

**MDCHAMBER.ORG**

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