



MARYLAND
Chamber of Commerce

LEGISLATIVE POSITION:

Unfavorable

House Bill 1372 – Health and Taxation - Digital Social Media Services and the Mental Health Care Fund for Children and Youth

House Ways and Means Committee

Thursday, March 7, 2024

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 6,800 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.

House Bill 1372 would impose a digital social media gross revenues tax on annual revenues derived from digital social media services and require the Comptroller to distribute revenue from the tax in a certain manner.

HB 1372 would be difficult to implement for both taxpayers and governments. In addition, there are sourcing, privacy, and data storage capacity concerns, as well as conflicting laws regarding other state privacy rules. Additionally, levying a gross tax on digital ads thus far has not been able to satisfactorily source revenues and has needed to be referred to the Comptroller to determine what revenue would be in scope. HB 1372 represents a discriminatory tax policy. The greatest concern to the Chamber is that the economic burden of the legislation will be borne by Maryland businesses and consumers. Given the ongoing legal issues that continue to play out following the passage of the Digital Advertising Gross Revenues Tax, now is not the time to pass a similar tax on Marylanders and businesses.

The Maryland Chamber of Commerce respectfully requests an **unfavorable report** on **HB 1372**.

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