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Budget and Taxation Committee
Chair, Capital Budget Subcommittee

Chair, Senate Democratic Caucus

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony of Senator Craig J. Zucker
Senate Bill 605- Digital Advertising Gross Revenues Tax - Assessments - Appeals and
Corrections
March 5th, 2025
1:00pm
Position: Favorable

Good afternoon, Chair Guzzone, Vice Chair Rosapepe, and distinguished members of the Budget and Taxation Committee. It is my pleasure to testify today in support of **Senate Bill 605 Digital Advertising Gross Revenues Tax (DAGR) - Assessments - Appeals and Corrections**.

Currently, taxpayers contesting DAGR tax determinations must proceed directly to the Maryland Tax Court. SB 605 would add the DAGR tax to the list of tax assessments eligible for an application for revision, a claim for refund, and an informal hearing within the Comptroller's Office before proceeding to court.

The Comptroller's Hearings and Appeals Division already manages appeals for nine other types of common taxes. Expanding this established review process to include the DAGR tax would reduce legal expenses for both taxpayers and the state, resolve disputes more efficiently, and create consistency across Maryland's tax system.

As the DAGR tax impacts a smaller segment of taxpayers, it is unlikely to create any significant additional burden on the Comptroller's Hearings and Appeals Division. Importantly, SB 605 is prospective and will only impact DAGR tax assessments after December 31, 2025. All existing assessments, appeals, and cases will remain in their current state.

I respectfully request a **favorable report on Senate Bill 605**. Thank you for your consideration.