



March 3, 2025

Senator Guy Guzzone, Chair
Senate Budget & Taxation Committee
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Katie Fry Hester
304 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Sara Love
222 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Michael A. Jackson
3 West Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Jim Rosapepe, Vice Chair
Senate Budget & Taxation Committee
101 James Senate Office Building
11 Bladen Street
Annapolis, MD 21401

Senator Bill Ferguson
H-107 State House
100 State Circle
Annapolis, MD 21401

Senator Dawn Gile
3 East Miller Senate Office Building
11 Bladen Street
Annapolis, MD 21401

RE: Letter in Opposition to Maryland SB 904

Dear Chair Guzzone, Vice Chair Rosapepe, Senator Hester, Senator Ferguson, Senator Love, Senator Gile, and Senator Jackson:

On behalf of our industries, we write to oppose Maryland SB 904.¹ We provide this letter to offer our non-exhaustive list of concerns about this bill. SB 904 would create new registration requirements and impose taxes on companies that drive employment and economic output for the state. Accordingly, we ask you to decline to advance the bill as drafted out of the Senate Budget and Taxation Committee (“Committee”).

¹ Maryland SB 904 (2025 Session), located [here](#) (hereinafter, “SB 904”).

As some of Maryland and the nation’s leading organizations, we collectively represent thousands of companies across the country. These companies range from small businesses to household brands, advertising agencies, publishers, technology providers, and more. Our combined membership includes thousands of companies that power the commercial Internet, which accounted for 12 percent of total U.S. gross domestic product (“GDP”) in 2020.² We would welcome the opportunity to engage with the Committee further on the non-exhaustive list of issues with SB 904 outlined here.

I. SB 904’s Registration Requirement Will Not Provide Meaningful Consumer Protections

SB 904 would require “data brokers,” as defined, to register with the state, provide certain information as part of their registration, and pay an annual fee. The disclosures required of data brokers by SB 904’s proposed registry include much of the information that companies already regularly include in their privacy policies. In addition, the bill’s broad definition of “data broker” threatens to capture nearly every entity that does business in Maryland—even entities that have direct, first-party relationships with consumers. Requiring essentially all companies that do business in the state to register as data brokers will not provide Marylanders with meaningful clarity about data brokers’ practices but will rather serve as a repository of often redundant information about all entities doing business in Maryland. As a result, the bill’s data broker registration requirement is unnecessary, as it would do little to further meaningful consumer protections.

II. SB 904’s Proposed Tax Would Impede the Benefits Data Brokers Provide to the Maryland Economy

If enacted, SB 904 would impose an annual tax on data brokering by data brokers. The tax could be levied on virtually every business in Maryland. No other state has imposed this type of tax on data. The proposed tax would severely hamper businesses’ ability to create jobs and control prices for their services.

By one estimate, over 168,000 jobs in Maryland were related to the ad-subsidized Internet in 2020.³ The proposed tax could translate into a loss of resources and capital that businesses currently dedicate to those jobs. In addition, the proposed tax would hinder businesses’ ability to innovate and develop products and services Marylanders desire. Studies have shown that as new taxes are enacted, companies simply pass them on to their consumers in the form of higher prices for services.⁴ Consumers would thus feel the impacts of the proposed tax in the form of loss of access to vast and varied services as well as increased prices.

² John Deighton and Leora Kornfeld, *The Economic Impact of the Market-Making Internet*, INTERACTIVE ADVERTISING BUREAU, 15 (Oct. 18, 2021), located at https://www.iab.com/wp-content/uploads/2021/10/IAB_Economic_Impact_of_the_Market-Making_Internet_Study_2021-10.pdf.

³ *Id.* at 135-136.

⁴ Deloitte, *The French Digital Services Tax – An Economic Impact Assessment* (March 22, 2019), located at <https://blog.avocats.deloitte.fr/content/uploads/2020/03/dst-impact-assessment-march-2019.pdf>.

The tax would also impact small and mid-size businesses the most, as SB 904 would apply to all companies equally regardless of size. Our industries contribute significantly to the Maryland economy by employing residents, subsidizing the development of important products and services, and by helping small and mid-size companies compete with the economy's largest players. The proposed tax would hinder companies of all sizes from continuing to provide this value to Maryland consumers and the economy.

* * *

We and our members strongly support meaningful privacy protections for consumers. We believe, however, that SB 904 will not further meaningful consumer protections in Maryland. The bill would also impose an overly onerous tax on companies that provide significant value to Maryland consumers and the economy. We therefore respectfully ask the Committee to decline to advance SB 904 as proposed. We would welcome the opportunity to engage further and work with you to craft a workable privacy framework that benefits Maryland consumers and businesses alike.

Thank you for your consideration of this letter.

Sincerely,

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