

**MHILA**  
Maryland Hotel  
Lodging Association

**Testimony in Opposition to SB 904**

Data Brokers - Registry and Gross Income Tax (Building Information Guardrails Data Act of 2025)

*Budget and Taxation & Senate Finance Committees – March 5, 2025*

SB 904 would impose a 6% tax on the gross income of a data broker and distribute the revenue to several special funds (after deductions for administrative costs).

We are weighing in with concern since the proposed definitions of "data broker" and "data brokering" are excessively broad and risk capturing entities far beyond the intended target. These definitions are dramatically different from those established in other state laws, and they would impact businesses that collect data for legitimate purposes from consumers with whom they have a direct relationship. In fact, SB 904 does not even require data to be transferred to a third-party in order for a business to be considered a data broker.

As currently written, this bill will create confusion and compliance challenges for businesses that share data amongst affiliates, individual operating units, or partner entities. This overreach will create significant compliance costs for businesses of all sizes, stifle innovation, and ultimately harm consumers by limiting access to valuable services.

The proposed tax associated with this legislation will presumably be combined with Maryland's existing corporate income tax, effectively implementing a double taxation scheme. Businesses are already taxed on their revenue and profits. Imposing an additional tax specifically on data-related activities creates an unfair and punitive tax burden. This double taxation will stifle growth and investment in the data-driven economy. It will make this state less competitive for data-centric businesses and will create an unfair burden for companies that rely on data for legitimate business functions.

We believe that the goals of data privacy and transparency can be achieved through more targeted and nuanced legislation. We respectfully request an unfavorable report in its current form and urge the committee towards a balanced and effective approach to data privacy that protects consumers without stifling innovation and harming businesses.

For these reasons, we request an unfavorable report on SB 904.

Respectfully submitted,  
Amy Rohrer, President & CEO