

Good afternoon, Chairman & Members of the Senate Finance Committee,

My name is Deb Peters. I am a former South Dakota State Senator, past President of the National Conference of State Legislatures, and a CPA with extensive experience in State Tax Law. I played a key role in the U.S. Supreme Court decision South Dakota vs. Wayfair.

Today, I am here representing Americans for Digital Opportunity, powered by the Association of National Advertisers, in opposition to Senate Bill 904, the Data Broker's Registry & Gross Income Tax.

As written this bill seeks to punish large corporations who collect, aggregate, analyze, buy, sell or even share data. Instead, it will harm ALL businesses, nonprofits, universities, and political campaigns.

Key concerns include:

- **Double taxation:** SB 904 adds another income tax on top of the state's corporate income tax.
- **Administrative burden:** This bill is an administrative nightmare for both the companies attempting to comply as well as for the administration to administer such a tax. The fluid nature of data makes compliance and enforcement impractical and unenforceable.
- **Small business impact:** Data brokers help smaller companies compete with larger ones through cost-effective marketing. Increased costs will reduce economic growth, corporate tax receipts, and sales tax revenue.
- **Political & nonprofit impact:** Campaigns and nonprofits rely on data brokers to connect with voters, donors, and volunteers.

The FTC has emphasized that the free flow of digital information is critical for consumer access to services and content. SB 904 undermines economic growth, research, and political participation.

In 2017, the Beales study estimated that consumers access \$30,000 worth of services for free thanks to advertising. That number has only grown with time and disrupting that subsidy would amount to a \$30,000 tax on each American.

As you all know, over the last decade, technology has transformed the economy, particularly in data collection and utilization. This has allowed businesses, including Maryland's businesses, to grow and succeed and compete on a global level. Now is not the time to increase taxes on small to mid-size businesses, which ultimately will hurt consumers, everyone is already facing strong headwinds.

If passed, this bill will increase the cost of doing business, it will increase the price of goods and services in Maryland, and it will affect businesses of ALL sizes and Marylanders from ALL walks of life. Please oppose SB904.