

WRITTEN VERSION

REBUILD LOCAL NEWS

Testimony of Matt Pearce Senior Policy Advisor, Rebuild Local News

HB 891, Maryland House Ways and Means Committee

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My name is Matt Pearce, and I am Senior Policy Advisor for Rebuild Local News, a 501(c)3 nonpartisan coalition that develops and advocates for public policies that strengthen community news while preserving the editorial independence of journalists.¹ We also host a coalition of more than 35 national and state organizations that includes publishers and labor unions, ethnic media and rural weeklies, for-profits and nonprofits, philanthropists and business people. Together these groups represent more than 3,000 newsrooms and 15,000 journalists, including many in Maryland. We are especially supportive of policies that help small and medium-sized local newsrooms.

As the business model that once supported local journalism has collapsed in recent decades, lawmakers from both parties across the U.S. have explored policy ideas to support continued news production in their communities. Refundable employment tax credits, like HB 891, have emerged as one of the most popular public policy tools to support local journalists and promote job creation while protecting editorial

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independence. The states of New York² and Illinois³ enacted journalist employment tax credits last year; lawmakers in the states of Washington⁴ and New Mexico⁵ have already proposed similar measures this year. This has become a popular program in Canada as well.⁶

HB 891⁷, sponsored by Delegates Vogel and Foley, would allow news organizations to claim refundable tax credits for the full-time journalists they employ to cover Maryland communities. In the first year of the program, employers could claim credits equivalent to up to \$25,000 of the wages paid to each journalist and then \$15,000 per journalist for each following year. The program is capped at five years of support per journalist. Nonprofit newsrooms that don't pay income tax could claim the benefit by applying the credit to employees' payroll tax withholdings.

It's simple economics: If you want more professional journalists covering Maryland communities, make it cheaper to employ more of them. HB 891 does that. The benefits of the tax credit approach is that it's broad-based, efficient and honors the First Amendment's prohibitions against content-based discrimination. Newsrooms don't have to worry that a lawmaker they've covered skeptically is going to be picking and choosing who gets support and who doesn't.

We would suggest making this bill even more future-forward by maintaining the \$25,000-per-journalist subsidy for newsrooms that maintain or grow the number of journalists covering Maryland.

²<https://www.rebuildlocalnews.org/rebuild-local-news-praises-landmark-new-york-state-action-to-help-area-news-outlets/>

³<https://dceo.illinois.gov/expandrelocate/incentives/taxassistance/new-journalism-tax-incentive-program.html>

⁴<https://app.leg.wa.gov/billsummary/?BillNumber=5400&Year=2025&Initiative=false>

⁵<https://www.nmlegis.gov/Legislation/Legislation?chamber=S&legtype=B&legno=110&year=25>

⁶<https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/corporations/business-tax-credits/canadian-journalism-labour-tax-credit.html>

⁷<https://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0891?ys=2025RS>