



LEGISLATIVE POSITION:

Favorable

SB 605- Digital Advertising Gross Revenues Tax - Assessments - Appeals and Corrections

House Ways & Means Committee

Thursday, March 27, 2025

Dear Chair Atterbeary and Members of the Committee:

Founded in 1968, the Maryland Chamber of Commerce is the leading voice for business in Maryland. We are a statewide coalition of more than 7,000 members and federated partners working to develop and promote strong public policy that ensures sustained economic health and growth for Maryland businesses, employees, and families.

Senate Bill 605 seeks to add the Digital Advertising Gross Revenues Tax (DAGR tax) to the list of tax assessments eligible for an application for the revision of the assessment, a claim for refund, and an informal hearing within the Comptroller's Office pertaining to either a revision application or refund claim. SB 605 is a process bill creating parity between the DAGR tax and nine other types of common taxes as it pertains to the refund claims appeals process.

An issue discovered with the recently enacted DAGR tax, currently if a taxpayer files a claim for a DAGR tax refund or assessment revision and that claim is denied, a taxpayer's only remedy is to appeal to the Maryland Tax Court. SB 605 would make the DAGR tax eligible for an informal hearing within the Comptroller's Office as a first step appeal, potentially saving both the state and the taxpayer significant sums in legal fees by initially avoiding the Tax Court. Further, as the DAGR tax is a targeted tax impacting a smaller segment of taxpayers in the market, it is unlikely to create any measure of additional burden on the Comptroller's Hearings and Appeals Division.

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.

For these reasons, the Chamber respectfully requests a **favorable report** on **SB 605**.

MDCHAMBER.ORG

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