



March 11, 2026

**Senate Bill 987**  
**Corporate Income Tax - Addition Modification - Direct-to-Consumer**  
**Pharmaceutical Advertising**

**Senate Budget and Taxation Committee**

**Position: FAVORABLE**

Anne Arundel County **SUPPORTS** Senate Bill 987 – Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising. This Bill proposes a corporate income tax addition modification for previously deducted direct-to-consumer advertising expenses and distributes the fund to support Medicaid eligibility operations and health insurance subsidy programs.

The United States, as one of only two countries that allows direct-to-consumer pharmaceutical advertising, sees over \$14 billion spent annually on these advertisements. However, direct-to-consumer pharmaceutical advertising is widely viewed as a public annoyance; repeated, unwanted marketing not only damages patient-provider relationships but also ultimately forces taxpayers to bear the costs through tax deductions. Affordable healthcare access for hundreds of thousands of Marylanders is already at risk due to new administrative burdens and congressional budget cuts, potentially leading to the loss of their coverage. SB 987 would use the revenue attributable to the addition modification of direct-to-consumer advertising expense deduction to invest \$5 million annually in Medicaid eligibility operations. Helping the State build and maintain the infrastructure that simplifies the enrollment and re-enrollment process will prevent Marylanders from losing coverage due to the new administrative requirements. No one should lose their coverage simply because of paperwork issues. Additional revenue generated would fund premium assistance programs to help stabilize costs for many Marylanders who purchase private health coverage from Maryland Health Benefit Exchange.

Taxpayer money should place Marylanders first and invest in our healthcare system, not to subsidize pharmaceutical corporate marketing. This Bill offers an innovative solution that addresses both the direct-to-consumer pharmaceutical advertising issue and the fiscal challenge Maryland healthcare and insurance programs face. For those reasons, Anne Arundel County respectfully requests a **FAVORABLE** report on Senate Bill 987.