



To: House Ways and Means Committee

From: Tim Nelson, Counsel to the Maryland-DC-Delaware Broadcasters Association

Date: Submitted - February 10, 2026; Hearing - February 12, 2026

Re: House Bill 484

The Maryland-DC-Delaware Broadcasters Association (“MDCD” or the “Association”)¹ appreciates the opportunity to submit this written testimony regarding House Bill 484, “Corporate Income Tax - Addition Modification - Direct-to-Consumer Pharmaceutical Advertising,” which legislation would eliminate the tax deduction of business expenses for direct-to-consumer (DTC) pharmaceutical advertising in Maryland. On behalf of the Association and its Members, which include approximately 20 television stations and 110 radio stations, MDCD opposes this legislation and requests an unfavorable report of House Bill 484.

Under the U.S. tax code, advertising is currently treated as an ordinary and necessary business expense—just like salaries, rent and utilities—meaning that a business can fully deduct advertising expenses in the year that they are incurred. In targeting a particular form of advertising by one portion of an industry, House Bill 484 raises significant First Amendment concerns. In addition, in proposing to modify Maryland’s tax laws to change the tax treatment of direct-to-consumer pharmaceutical advertising, House Bill 484 would make such advertising more expensive.

And, although perhaps not obvious at first blush, in so doing, House Bill 484 threatens to hurt the free, local journalism that MDCD’s Member stations proudly provide over-the-air in communities throughout Maryland. Producing high-quality, local broadcast news is an exceedingly costly endeavor. Broadcasters fund their on-air and digital local news operations through advertising dollars; advertising accounts for virtually all of the revenues for Maryland’s radio stations and roughly half of the revenues for the State’s television stations. Advertising revenues, however, have been declining sharply for years. The revolution in digital technology and the explosive growth of the Internet have led to a handful of giant, unregulated digital platforms dominating the advertising marketplace, including at the local level. This, in turn, has negatively impacted local broadcasters from a competitive standpoint. Advertisers and the critical revenues they provide to local stations have been diverted away from the broadcasters and local news organizations that produce accurate, trusted, objective, local journalism in communities across Maryland.

And House Bill 484 would make things worse. The modifications to the tax code proposed by House Bill 484 would ultimately make one category of advertising more expensive, which would consequently hurt Maryland’s local television and radio stations that rely upon advertising revenue—including pharmaceutical advertising—to survive and serve their local communities.

¹ The Maryland-DC-Delaware Broadcasters Association is a voluntary, non-profit trade association that advocates for the interests of its member radio and television stations and, more generally, the interests of broadcasting in Maryland, Delaware, and Washington, D.C.

The Maryland-DC-Delaware Broadcasters Association maintains that advertising—of all categories—should remain fully deductible as an ordinary and necessary business expense in the year it is incurred. MDCD urges an unfavorable report of House Bill 484.

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