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**HB 484 Corporate Income Tax – Addition Modification –
Direct-to-Consumer Pharmaceutical Advertising
House Ways and Means Committee
February 12, 2026
FAVORABLE WITH AMENDMENT**

Good afternoon, Chair Wilkins and members of the House Ways and Means Committee. Thank you for the opportunity to submit testimony in support of House Bill 484 with an amendment. We thank Delegates Ziegler, Terrasa, Addison, Charkoudian, Cullison, Ebersole, Guzzone, Hill, Moreno, and Watson, and Vice Chair Feldmark for sponsoring this legislation.

My name is Sara Westrick, Advocacy Director for AARP Maryland, one of the largest membership-based organizations in the state, with approximately 850,000 members. We represent the interests of Maryland's over 50 population and bring the lived experiences, concerns, and priorities of our members to the discussion table, ensuring that policy decisions reflect the needs of older adults.

HB 484 creates a new corporate income tax requiring certain pharmaceutical companies to add back expenses related to direct-to-consumer (DTC) advertising for prescription drugs when calculating Maryland taxable income.

We support the bill with the proposed amendment as follows:

(3) (i) IN EACH FISCAL YEAR BEGINNING (2027), THE FIRST \$5,000,000 OF FUNDS RAISED UNDER SUBSECTION (E)(2) OF THIS SECTION SHALL BE DISTRIBUTED TO THE MARYLAND DEPARTMENT OF HEALTH TO FUND MEDICAID ELIGIBILITY OPERATIONS

(4) (ii) ANY REMAINING FUNDS AFTER THE DISTRIBUTION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL BE DISTRIBUTED TO THE MARYLAND HEALTH BENEFIT EXCHANGE FUND ESTABLISHED UNDER § 31-107 OF THIS ARTICLE TO FUND HEALTH INSURANCE SUBSIDY PROGRAMS, INCLUDING THE STATE-BASED HEALTH INSURANCE SUBSIDIES PROGRAM ESTABLISHED UNDER § 31-125 OF THIS ARTICLE OR THE STATE-BASED YOUNG ADULT HEALTH INSURANCE SUBSIDIES PROGRAM ESTABLISHED UNDER § 31-122 OF THIS ARTICLE.

(5) (iii) FUNDING DISTRIBUTED UNDER (E)(3)(ii) OF THIS SUBSECTION SHALL BE ALLOCATED BETWEEN HEALTH INSURANCE SUBSIDY PROGRAMS BY THE MARYLAND HEALTH BENEFIT EXCHANGE BOARD OF TRUSTEES IN ORDER TO IMPROVE THE AFFORDABILITY OF HEALTH INSURANCE COVERAGE.

Impact of the Amendment

The proposed amendment ensures that revenue is put toward the state's health priorities, for example, strengthening Medicaid. Then, after the initial \$5 million is allocated, the remaining funds flow to the Maryland Health Benefit Exchange Fund to support state-based insurance subsidy programs. This includes programs that reduce premiums for low- and moderate-income Marylanders. Drug advertising is often a driver of high drug demand and costs, and this amendment seeks to offset those costs for consumers.

Without this amendment, revenue from the addition modification would not be explicitly tied to specific public health investments.

The amendment ensures that the resulting tax revenue directly targets cost containment and affordability, two policy areas most affected by high-cost drug markets.

For all these reasons, AARP Maryland urges the committee to give a favorable report on HB 484 with the amendment as cited.

If you have any questions, please contact Sara Westrick, AARP Maryland Advocacy Director, at swestrick@aarp.org or by phone at 410 310-0374.