

AMERICANS FOR DIGITAL OPPORTUNITY

February 11, 2026

Delegate Jheanelle Wilkins
Chair, Ways and Means Committee
House Office Building
6 Bladen Street
Annapolis, Maryland 21401

Chair Wilkins and Members of the House Ways and Means Committee:

On behalf of our stakeholders, we write to express our strong opposition to HB 468, which would tax digital social media services.

Improving access to mental health care services for children and youth is a noble endeavor and something all reasonable Americans support. However, passing this tax as a means to fund these programs will not achieve this goal. Instead it will only invite legal challenges and very likely prevent Maryland children from accessing these services.

As you know, Maryland is now five years into a lawsuit over the digital advertising tax based on the grounds that it violates the Internet Tax Freedom Act (“ITFA”). ITFA prohibits states from imposing “discriminatory taxes on electronic commerce” – which is exactly what HB 468 does as well. Additionally, HB 468 could violate free-speech protections under the First Amendment.

Should these taxes be overturned by the courts, then Maryland would be forced to pay back every cent collected, plus interest. Not only will drawn out litigation costs fall on taxpayers, but this will also leave a budget gap for these mental health programs.

Access to social media, and access to the customers on these platforms, has leveled the playing field for small businesses. Businesses of all sizes now have an equal opportunity to reach the same customers, giving start-ups, local newspapers, and countless entrepreneurs the opportunity to grow and succeed. HB 468 taxes one of the most important lifelines for Maryland’s small businesses, which will result in higher costs to reach new customers and higher prices for existing customers.

Proponents of HB 468 will argue that this tax will only affect a handful of multi-billion-dollar companies, but the truth hits much closer to home. Like all business-to-business expenses, Maryland consumers and small businesses will be disproportionately burdened by this tax.

Marylanders, like all Americans, are still navigating significant economic pressures, including the lingering effects of runaway inflation that began years ago. This, coupled with new tariffs and a slowing economy, creates even more economic uncertainty for businesses and workers.

Additional taxes would only compound these challenges, driving people and investments out of the state.

Last month, Governor Moore said, “you can't have a competitive state without a growing economy,” and HB 468 is counter to his goal. This legislative session provides you and your colleagues with an opportunity to deliver results for Maryland. Legislative discussions should center around ways to harness the state’s opportunity to build a more competitive business environment which would encourage innovation and grow the overall tax base.

We hope that you will see that this social media tax, especially combined with the digital advertising tax, would have far-reaching, negative consequences for businesses, consumers, and Maryland’s economy. Should this tax be overturned by the courts, these youth mental health programs would not be funded. For these reasons, we urge you to oppose HB 468.

Sincerely,

Deb Peters, CPA

Lead Tax Advocate

Americans for Digital Opportunity