MARYLANDERS FOR TAX FAIRNESS

Marylanders For Tax Fairness Overview

Marylanders For Tax Fairness Topline:

- Marylanders For Tax Fairness is an independent coalition of Marylanders and Maryland businesses of all sizes dedicated to ensuring that taxes implemented by the General Assembly do not place an unnecessary and undue burden on the state's entrepreneurs and job creators.

- Specifically, Marylanders For Tax Fairness is actively working to sustain Governor Larry Hogan's veto of House Bill 732 - Digital Advertising Gross Revenues Tax, which if allowed to become law, would raise taxes on any business or any person who advertise services online.

- The Marylanders For Tax Fairness coalition is comprised of entrepreneurs, businesses, and individuals who have joined together to fight against unfair taxes being thrust upon the state's main job creators in the middle of the COVID-19 pandemic and the worst possible time in modern history.

- Marylanders For Tax Fairness is asking the Maryland General Assembly to allow Governor Hogan's veto of House Bill 732 to stand when the legislative session begins in January 2021.

What is House Bill 732?

- At the very end of the 2020 Maryland legislative session, the General Assembly rushed House Bill 732 - Digital Advertising Gross Revenues Tax, a very shortsighted and deeply flawed bill, to the floor and passed it along party lines. Due to the COVID-19 pandemic, the normal legislative process was curtailed, and public input was limited.

- The outcome was a bill that will raise taxes on every single person and business that advertises services online – from the smallest mom and pop store, to the largest corporation, to your next-door neighbor.

- If Governor Hogan's veto is overridden, Maryland would have the notorious distinction of being the only state in the country to enact a digital advertising tax.

Why Is This Important?

- Today, businesses of all sizes are marketing online. Access to platforms that provide advertising is direct, easy to manage, and more people than ever are utilizing those platforms.

- This is why House Bill 732 is so damaging to both Maryland's and countless local economies. It's not just Fortune 500 companies that advertise online, it's your nail salon, your auto mechanic, your local watering hole.

- House Bill 732 would raise taxes and the cost of doing business for all these hardworking Marylanders and the ripple effect is obvious: higher taxes, higher prices, fewer jobs.

Why Should Governor Hogan's Veto Stand?

- Governor Hogan vetoed this tax because he understood that the impact of COVID-19 on our state economy – that this was the wrong time to raise taxes when so many people and businesses are struggling in the worst economy since the Great Depression.

- In the middle of a worldwide pandemic that has devasted national and local economies, House Bill 732 will impose a $250 million tax on Marylanders and Maryland small businesses.

- Maryland legislators think they are taxing big, out-of-state companies, but the truth is that Maryland businesses of all sizes will pay this annual $250 million tax.

- The lead sponsor of the Digital Ad Tax, Senate President Bill Ferguson, admitted during Senate debate that Maryland entrepreneurs would be the actual people paying this tax.

- With COVID-19 still raging and small businesses fighting tooth and nail just to keep their doors open and their employees paid - this is a really bad time for a bad idea.

- This is the worst possible time to raise taxes on Maryland's small businesses, when so many are struggling to survive the recession and the COVID-19 pandemic.

- Countless Maryland entrepreneurs and businesses are fighting every day to keep their doors open, employees paid, and support their families – raising taxes on these people makes zero sense and will only further increase the damage COVID-19 has caused.

- With Maryland businesses of all sizes are still reeling from the negative effects of the COVID-19 pandemic, this is the worst time in modern history to raise taxes on the very people who create jobs and support families.

- The state economy is still fighting to recover from the COVID-19 pandemic, and it is not clear when it will return to normal. Raising taxes even higher on Maryland's small businesses and families in order to fund billions of dollars in new government spending is wrong.

- This tax will be paid by Maryland's small businesses in the form of higher costs for digital advertising. Small businesses employ almost half of all Maryland workers and HB 732 will hurt their ability to keep and add new employees - jobs Maryland needs now more than ever.

- The Maryland General Assembly thought they were being creative when they passed this law, but what they were really doing was putting even more pressure on the people who create jobs and keep our economy moving – and at the worst possible time.

- As Maryland businesses attempt to rebound from the pandemic, they will depend on digital advertising to find and attract new customers even more than they already do. Online services that offer digital advertising provide cheap, targeted ads that allow small businesses to reach specific Maryland customers – critically important during this economic crisis.

- It has been proven time and time again that taxes like this hurt local economies and jobs. That is why states like Arizona, Iowa, and Florida, passed broad advertising taxes but later repealed them. In fact, this same type of tax has been considered in more than 40 states, including most recently in Washington, D.C., and has been rejected every single time.