

In The News

Law360 Publishes Article by Stefi George and David Blum Detailing Maryland's Controversial New Digital Advertising Services Tax

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Law360 published an article written by [Stefi George](#) and [David Blum](#) detailing Maryland's controversial new digital advertising tax, which imposes a tax of up to 10 percent on gross revenue from digital advertising services placed by large digital advertisers in Maryland. A recently filed lawsuit in the U.S. District Court for the District of Maryland, alleges that the new law is discriminatory and violates both the U.S. Constitution and the Internet Tax Freedom Act (ITFA), which prohibits the imposition of discriminatory taxes on electronic commerce where a similar tax does not apply to print or other media.

The Akerman authors wrote, "The lawsuit was not unexpected, as many Maryland state officials questioned the legality of the act before it was passed. Nonetheless, the filing of the lawsuit puts pressure on the state to defend the law and may limit the law's utility as a revenue raiser aimed to combat COVID-19 budget shortfalls.

Given the many ambiguities in the law, it will also be interesting to see whether, if the court strikes it down, Maryland takes a second shot at imposing a digital advertising tax. It may be difficult to do so without running afoul of the ITFA, given the major

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differences between the functional aspects of digital and print advertising.”

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