



This Week in State Tax (TWIST)

October 24, 2022



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Maryland: Digital Ad Tax Struck Down

On October 17, 2022, an Anne Arundel County Circuit Court judge struck down Maryland's digital advertising tax after a hearing on certain motions associated with the case. It has been reported that the judge ruled from the bench that the digital advertising tax violated the Internet Tax Freedom Act, the Commerce Clause, and the First Amendment. It remains to be seen as to whether the ruling will be appealed. Although the Maryland Senate President indicated the state would appeal, Peter Franchot, the Maryland Comptroller, issued a statement appearing to question whether an appeal should be filed. "I firmly believe that instead of continuing to expend public resources to defend a law that was constitutionally questionable at the time of enactment, the incoming governor and the incoming legislature should instead be given the opportunity to revisit this law." Please stay tuned to TWIST for additional updates on Maryland's digital advertising tax.



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