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Maryland's Digital Ad Tax Under Pressure from Big Tech.

As expected, the Maryland law that created an online advertising tax is facing legal opposition from lobbying groups backed by Amazon, Google and Facebook. The groups argue the law violates the commerce clause.

After overriding a veto from Gov. Larry Hogan in February, the Maryland Legislature enacted a bill that would make Maryland the first state to tax digital advertising. A little less than a month later, lobbying groups backed by tech giants, including Amazon, Google and Facebook, are suing the state to strike down the bill.

The tax, which applies to revenue from digital ads displayed inside the state, is based on companies' ad sales. These ads include banner advertisements, search engine advertisements, interstitial advertisements and other advertising services.

Companies like Google, Amazon and Facebook, according to a report by Sidley Law Firm, would be impacted as follows:

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KATYA MARURI, GOVERNMENT TECHNOLOGY | MARCH 18, 2021

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