

## Other/Miscellaneous:

### Maryland Comptroller Posts Forms and Implementation Guidance on New Digital Advertising Tax

*Digital Advertising Gross Revenues Tax*, Md. Comptroller of the Treas. (4/22). The Maryland Comptroller of the Treasury (Comptroller) posted forms and additional guidance implementing legislation enacted in 2021 that imposes a novel digital advertising gross revenues tax (DAGRT) in Maryland on some businesses beginning January 1, 2022 [see H.B. 732 (2021) and previously issued Multistate Tax Alert for more details on this new tax, as well as S.B. 787 (2021) and previously issued Multistate Tax Alert, for details on subsequently enacted legislation that pushed the start date of the new digital advertising tax to 2022], which is a new tax separate from Maryland's income and sales and use taxes. In doing so, the Comptroller reminds that persons with global annual gross revenues equal to or greater than \$100 million must pay the DAGRT on the portion of those revenues derived from digital advertising services in the State of Maryland and provides information on how to file and pay any DAGRT owed, including using Maryland Form 600D to make quarterly estimated payments. The first quarterly estimated payment is due April 15, 2022. The Comptroller also references previously adopted DAGRT administrative rules [see *State Tax Matters*, Issue 2022-1, for previous coverage of these new rules].

URL: <https://www.marylandtaxes.gov/business/digital-ad/index.php>

URL: <http://mgaleg.maryland.gov/mgawebsite/Legislation/Details/hb0732/?ys=2020rs>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-maryland-enacts-tax-on-digital-advertising-services.pdf>

URL: <http://mgaleg.maryland.gov/mgawebsite/Legislation/Details/sb0787?ys=2021RS>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-mta-maryland-enacts-emergency-bill-addressing-taxation-of-digital-advertising-and-digital-products.pdf>

URL: [https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220107\\_23.html](https://dhub.blob.core.windows.net/dhub/Newsletters/Tax/2022/STM/220107_23.html)

In a related development, a court filing in ongoing litigation brought forth by various trade and industry groups challenging the DAGRT's validity indicates that the Comptroller possibly may *not* prohibit a person who derives gross revenues from digital advertising services in Maryland from indirectly passing on the cost of the DAGRT by factoring such cost into its customer pricing [see *Case No. 21-cv-410-LKG*, D. Md. (joint status report 4/4/22) for details on this recent court filing]. Please contact us with any questions.

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