

Published on *The National Law Review* <https://natlawreview.com>

New State Digital Ad Taxes? Will Maryland's Take Effect? Which States Will Follow? Litigation Guaranteed!

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On March 18, 2020, Maryland legislature sent a massive new tax on digital advertising services to Governor Hogan for consideration. The tax imposes a rate of up to 10% on annual gross revenue in the state derived from digital advertising services. This tax is on a sliding scale based on companies' global revenues and would take effect with tax year 2021. There are many legal problems with the legislation, including the violations of the Internet Tax Freedom Act, the Commerce Clause and the First Amendment. Other states have considered and are considering similar proposals. It is imperative that companies know how broadly this new tax will apply.

Click below to watch our recent webinar on this new tax. We discuss the legal challenges that can be made and how to protect your company from the unlawful reach of such laws.

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National Law Review, Volume X, Number 85

Source URL: <https://natlawreview.com/article/new-state-digital-ad-taxes-will-maryland-s-take-effect-which-states-will-follow>