

Protect Access to Journalism by Rejecting Taxes on Digital Advertising

Efforts to tax large technology platforms inadvertently harm news media entities, as well as the local businesses and non-profits that support them.

THE ISSUE

Some state legislatures are considering legislation that would impose a tax on revenue derived from digital advertising revenue. News media entities, including magazine publishers, rely on digital advertising revenue to support public interest journalism that provides critical content to Americans.

Proponents of digital advertising taxes say they want to limit their financial impact to large advertising platforms. But in practice, these taxes jeopardize Americans' access to essential news information.

Digital ad taxes have a disproportionate impact on a key source of publishing revenue that allows publishers to provide the content that educates, informs, and delights readers. In addition, digital ad taxes would impose pass-through costs on local businesses and non-profits in an already challenging economic climate.

A BETTER SOLUTION

Alternate revenue raisers that don't discriminate against ad-supported online news media content.

Reject discriminatory taxes. Lawmakers should dismiss tax proposals that directly target revenue that sustains journalism and media.

Exempt news media. Should lawmakers introduce a digital advertising tax, they should include Maryland's explicit exemption for "news media entities" and Maryland's prohibition on the pass-through of fees by advertising platforms.

Avoid Constitutional concerns. Maryland's digital advertising tax has already received multiple court challenges, including on First Amendment grounds. No revenue from the tax has been collected.

THE TAKEAWAY

- ✓ Digital advertising taxes threaten consumer access to this critical news and media content.
- ✓ Americans rely on ad-supported online content, including magazine media content, for vital news and information.
- ✓ Lawmakers should reject digital advertising taxes or provide a news media entity exemption.

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- ✓ Content that is researched, curated and edited.
- ✓ Readers value our content, such as educational, culture, science, and information, in long-form articles and digital platforms.

Diverse & multigenerational connections

- ✓ Read by more than 90% of U.S. adults across all age groups and demographics, including 18-25.
- ✓ A 1.5 billion audience across all its platforms – digital, mobile, video and print.

Commitment & investment to our communities

- ✓ More than 240,000 U.S. jobs supported with an annual average wage of more than \$98,000.
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