

State of the States Member Briefing

February 27, 2025



N/MA Policy Team

Danielle Coffey, President and CEO

Neil Quinter, Senior Vice President, Global Government Affairs
Compensation, AI

Regan Smith, Senior Vice President & General Counsel
Copyright, AI

Emily Emery, Vice President, Government Affairs
Privacy, Tax

Holly Lubart, Vice President, Government Affairs
Advertising, Automatic Renewal, Environment, Labor, Postal, Public
Notice, Trade





State Tax Proposals Impacting Advertising

Christopher Oswald
EVP - Law, Ethics & Government Relations
ANA

Types of State Taxes We're Seeing:



Tax on Digital Ad Revenues

- States have attempted to pass taxes on digital advertising revenues. Only Maryland has been successful so far.



Data Taxes

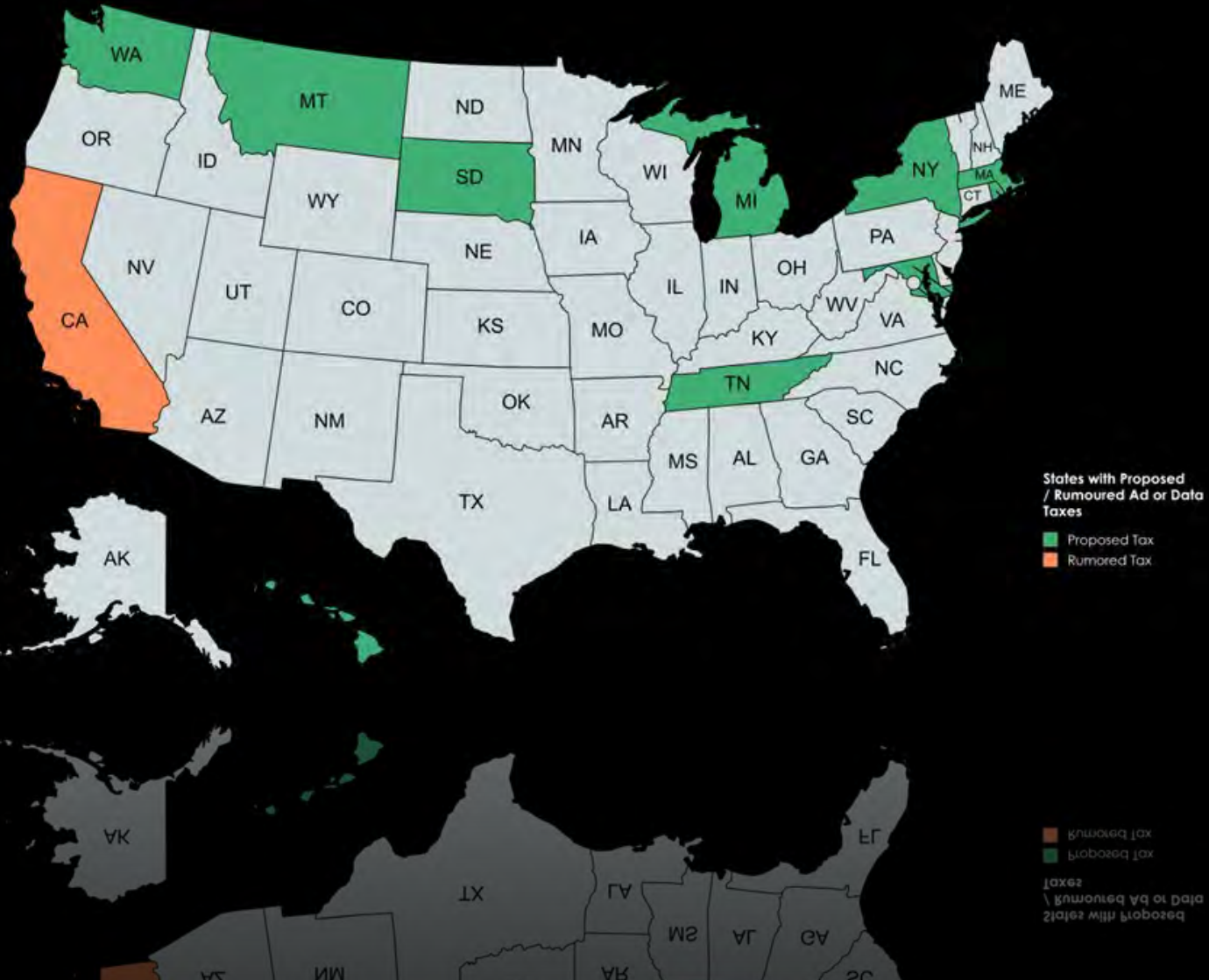
- Some states have sought to tax those that collect or utilize consumer data



Sales Taxes on Advertising Services

- Some states have sought to remove advertising services from their sales tax exemption.

State Tax Threats in 2025



- Sales taxes on advertising or taxes on digital ad revenue could lead to higher prices for those purchasing ads.
- Taxes on data use and collection could limit the amount of data available to nonprofits and also lead to higher prices.

2025 State Tax Legislative Tracker

State	Bill Number	Bill Sponsor	Notes
California	N/A	N/A	No bill has been introduced yet - anticipate legislation Potentially a bill introduced by Senator Blakespeare
Hawaii	HB 1458	Rep. Hussey	Applies the state corporate income tax to advertising revenue earned by major social media platforms
Massachusetts	HD 1007	Rep. Uytterhoeven	Establishes a tiered tax on digital advertising based on revenues - 5%-10% tax rates
	HD 1130	Rep. Farley-Bouvier	Establishes a tax on digital advertising to fund the Local Newspaper Trust Fund
	HD 1695	Rep. Holmes	Establishes a 6.25% digital advertising services tax
	HD 3138	Rep Rogers	Establishes a 6.25% digital advertising services tax
	HD 3665	Rep. Haggerty	Establishes a Digital Advertising Revenue Commission to conduct a study on raising revenue from digital advertising taxes
	HD 3914	Rep. Paulino	Establishes a 6.25% sales tax on digital advertising services
	SD 844	Rep. Fernandes	Establishes a tax on digital advertising to fund the Local Newspaper Trust Fund and Pre-K and afterschool programs
	SD 1090	Rep. Jehlen	Establishes a tiered tax on digital advertising based on revenues - 5%-10% tax rates
Maryland	HB 1089	Re. Solomon	Establishes a tax on the gross income on data brokers - broadly defines data brokers to include a large swath of Maryland businesses
Michigan	N/A	N/A	Governor Whitmer announced he intentions to support legislation to fund road improvements through a digital advertisign tax
Montana	SB 192	Rep. Trebas	Establishes a 10% digital advertising tax Fiscal Note
New York	SB 173	Rep. Ramos	Establishes an unemployment bridge program funded by creating a digital advertising tax act
Rhode Island	HB 5076	Budget Bill	Establishes 10% digital advertising tax - supported by Gov. McKee
South Dakota	HB 1191 (dead)	Rep. Lems	Establishes a 10% gross receipts tax on advertising services proposed in SD on prescription drug advertisement. Funds used for property tax relief
	HB 1138 (dead)	Rep. Aylward	Repeals advertising services exemptions
Tennessee	HB 218	Rep. Behn	Funds universal Pre-K with a digital advertising tax



AMERICANS FOR DIGITAL OPPORTUNITY

2025

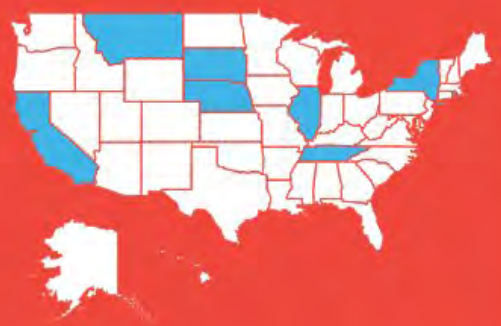
About Us

Americans for Digital Opportunity is a national 501(c)(4) organization dedicated to ensuring that digital advertising and the entrepreneurial opportunities it creates are not made less accessible or needlessly expensive through taxation. Specifically, ADO is working to prevent the implementation of all forms of digital advertising taxes that hamper the ability of countless businesses and entrepreneurs to market their goods and services online.

This is simple – making digital advertising more expensive and less accessible is a bad idea and will lead to higher taxes, higher prices, and fewer jobs. ADO is here to fight against this.

ACTION TO DATE:

Since the beginning of 2024, Americans for Digital Opportunity has been engaged in 8 states and Washington D.C.



is here to fight against this.
lead to higher taxes, higher prices, and fewer jobs. ADO
expensive and less accessible is a bad idea and will
This is simple – making digital advertising more

and Washington D.C.
been engaged in 8 states



Leading the Charge

Americans for Digital Opportunity is the only national organization solely focused on fighting against digital advertising and /or data taxes. Over the last two years the organization has been active in over half a dozen states across the country successfully defeating legislation before it ever makes its way to the governor's office for a signature.



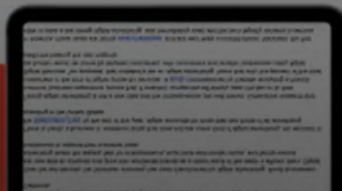
ADO partners with local groups to build grassroots support – send letters to elected officials, place op-eds & letters to the editors, and send text messages to constituents urging them to call their legislators.



Commission an economic impact analysis of a digital advertising and data excise tax in each state.



ADO Lead Advocate and Tax Expert Deb Peters has testified in multiple states on our behalf.



urging them to call their legislators, send text messages to constituents op-eds & letters to the editors, and

in each state,

advertising and data excise tax

in multiple states on our behalf.



Tactics Used By ADO in Nebraska

ADO was successful in Nebraska by deploying a number of different tactics, in print, on the web, and on the ground.



\$38,000

Spent on digital ads targeting key senators



\$8,500

Spent towards placing radio ads



\$2,000

Spent on patch through calls



4

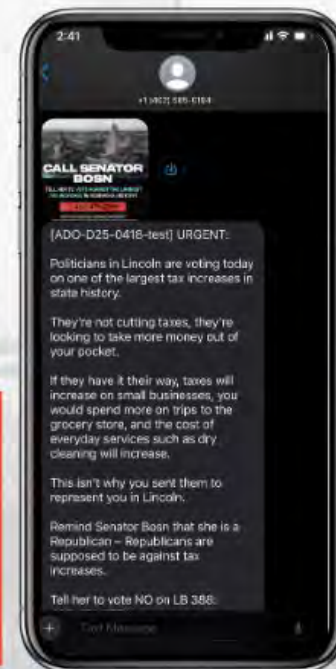
Media Placements

Drafted and placed three op-eds and a letter to the editor.

+193,600

Text Messages

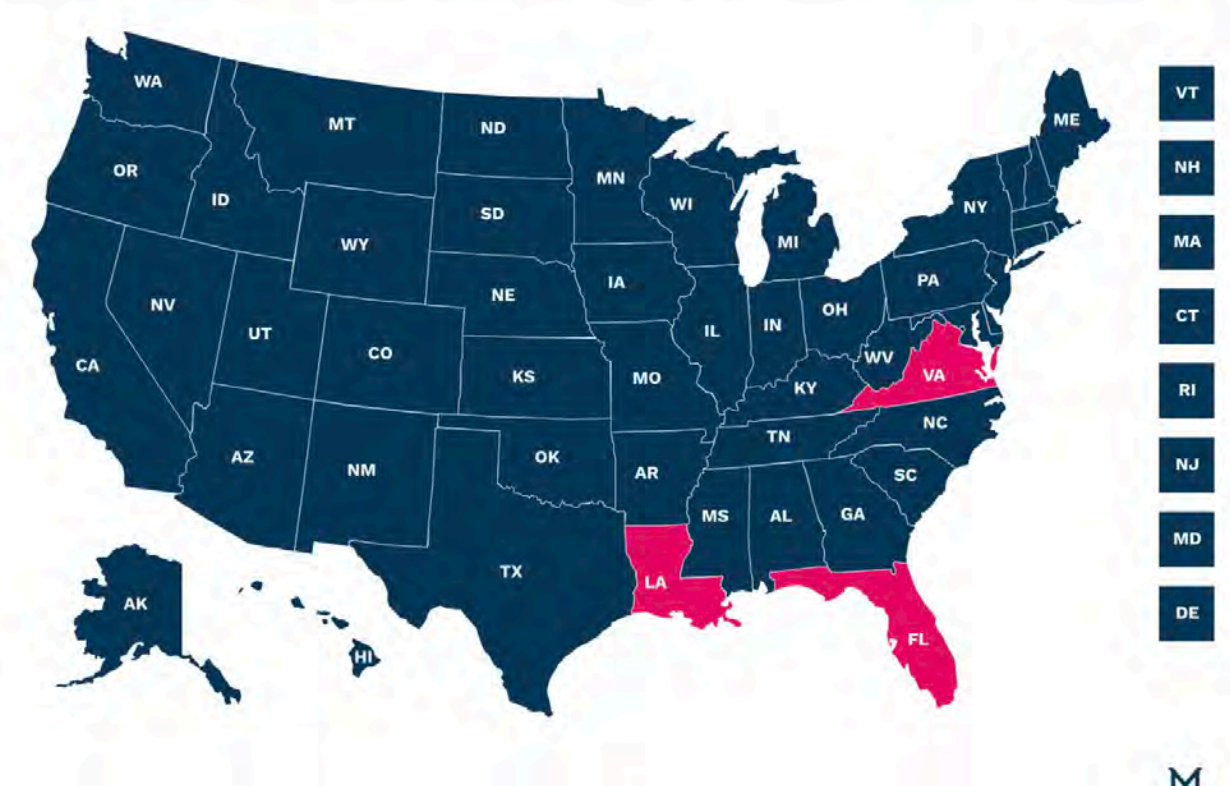
Sent to Nebraska residents across 12 targeted senate districts. For reference, Nebraska's population is just under 2 million.



State Legislative Session Status

2025 State Legislative Session Status

■ Legislature in regular session ■ Legislature not in session ■ In special session



- 48 in Session
- 3 Adjourned

Source: MultiState. Data as of February 24, 2025



Compensation

- California

- Governor Newsom-Google agreement
 - Total of \$280M-\$360M over five years
 - \$45M in first year to fund, divided by journalists
 - \$30 million from state
 - \$15 million from Google
 - Newsom included in budget
 - Looking for administrative home

- Oregon

- Senator Pham bill, with Civic Information Consortium

- Illinois

- Senator Stadelman reintroduced
- Based on revised California bill

- New York

- A07811/S07866 Kelles/May bill

- Washington

- SB 5400, establishing local news journalism corps
- Workforce education investment surcharge, \$20 million for corps



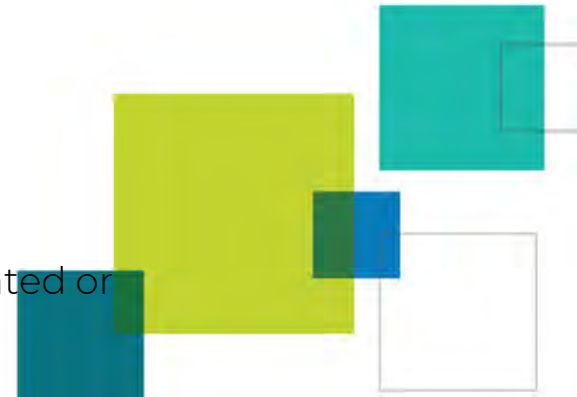
Artificial Intelligence

Transparency bills

- New York
- California AB 412
 - Requires GAI developers to:
 - Document copyrighted materials used to train the GAI system or model
 - Document the copyright owner of each of these materials
 - Make this list available to the copyright owner on request, through a mechanism on the developer's website
- Other states:
 - WA HB 1168 (High level summary of the datasets) (Passed Technology Committee 1/28; hearing in Appropriations Committee 2/25)
 - NM HB 60 (High level summary of the datasets) (Passed committee 2/25)
 - TX HB 1709 (High level summary of the datasets)
 - MD HB 823 (Sources or owners of the data) (Hearing 2/18)
 - NJ S 1438 (Inventory of data input and collection)
 - VA HB 2250 (tabled in subcommittee) Opt-out

Use of AI in publishing

- Hawaii—SB 1618:
 - Would establish a journalistic ethics commission
 - Includes "Prominently labeling a story, video, or audio segment that contains AI-generated or AI-manipulated content"



Tax Credit Initiatives

- California, Illinois and New York implement, expand
- Other states explore new approaches
 - Massachusetts
 - New Mexico
 - Pennsylvania
 - Washington



Personal Data and Digital Ad Taxes

ANA AMERICANS FOR DIGITAL OPPORTUNITY As

ANA AMERICANS FOR DIGITAL OPPORTUNITY As aaf american advertising federation

COST ctia COUNCIL ON STATE TAXATION

INTERNET COALITION **Montana** MONTANA CHAMBER OF COMMERCE

ncta NEWS MEDIA **NetChoice** NATIONAL TAXPAYER ALLIANCE

SIIA TAXPAYERS ALLIANCE

February 21, 2025

February 18, 2025

The Honorable Chris Karr
President Pro Tempore of
500 East Capitol Avenue
Pierre, SD 57501

The Honorable Jon Hanse
Speaker of the South Dak
500 East Capitol Avenue
Pierre, SD 57501

Dear President Karr and S

On behalf of our memt
opposition to HB 1138 an

These pieces of legislati
Dakota and threaten to
unnecessary costs, and se

The Honorable Greg Hertz
Chairman of the Montana Senate Taxation Committee
Montana Senate
PO Box 200500
Helena, MT 59620

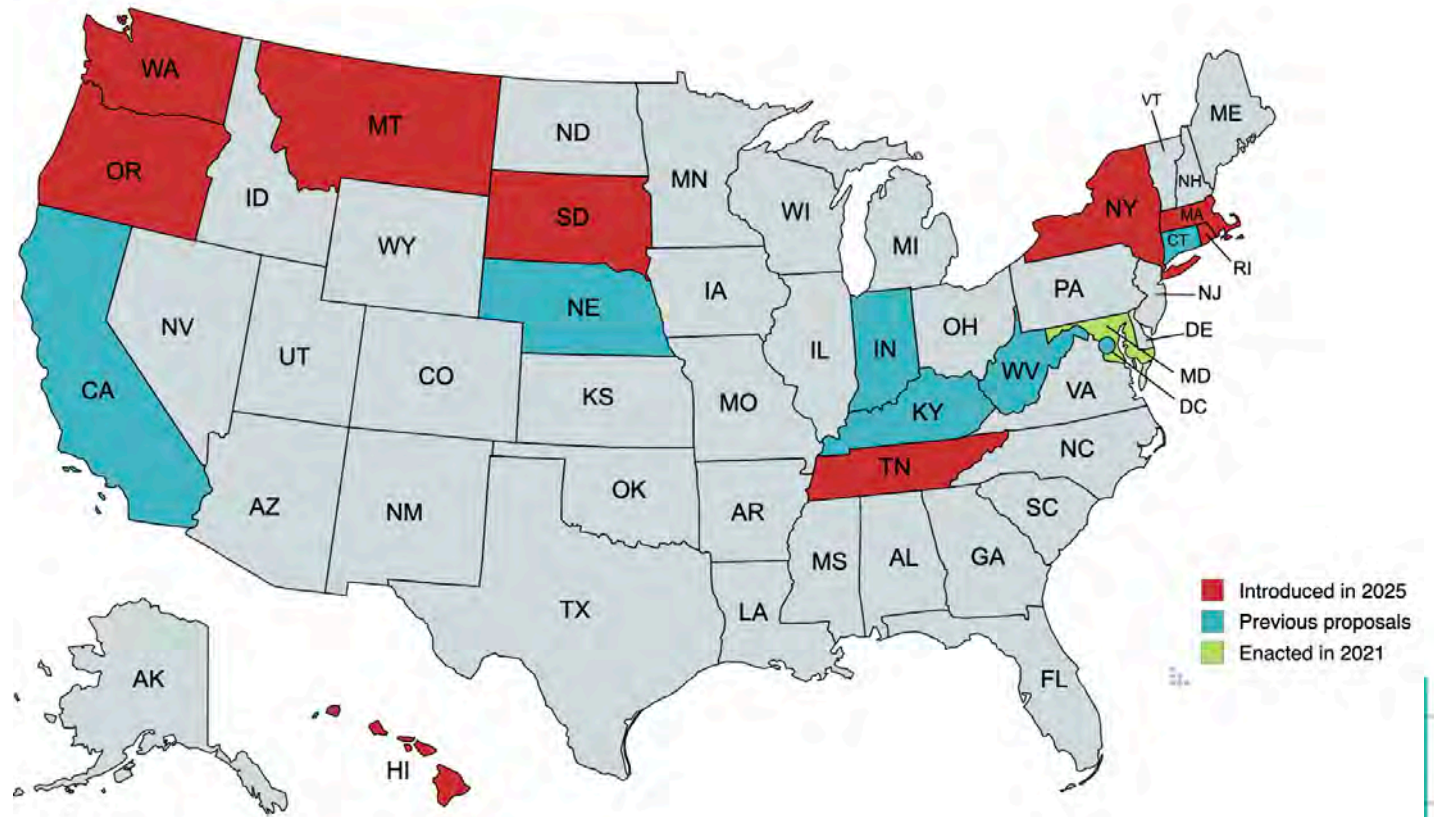
Dear Chairman Hertz:

On behalf of our members and the undersigned organizations, we write to express strong opposition to SB 192, which would impose a 10% tax on revenue derived from digital advertising.

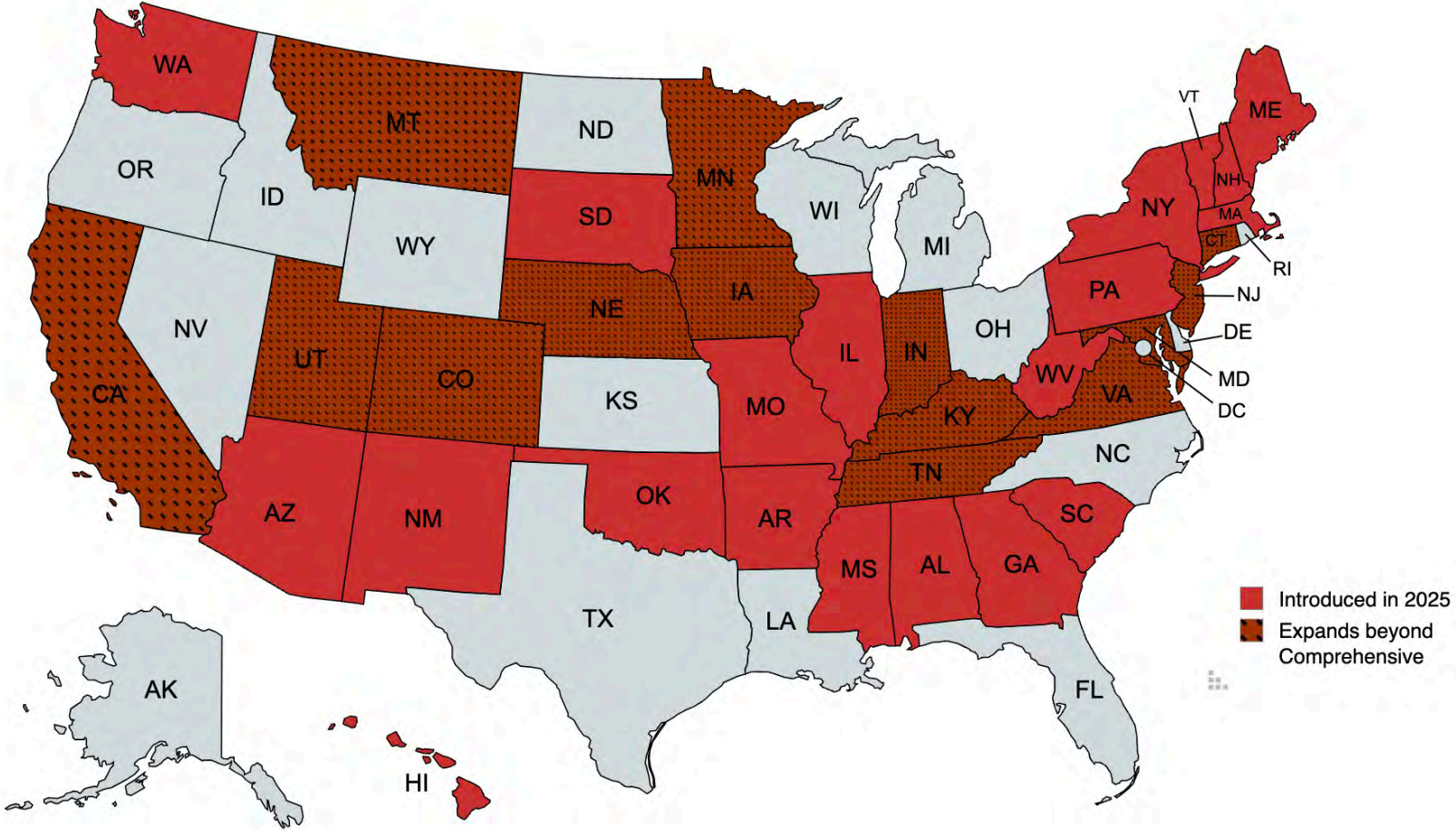
This piece of legislation proposes significant changes to the taxation of advertising in Montana and threatens to hinder economic growth, burden businesses and taxpayers with unnecessary costs, and set a harmful precedent for the future Montana's business climate.

Advertising is a major driver of economic activity in Montana. According to an independent study commissioned by IHS Markit, advertising expenditures generate \$15.7 billion in economic activity, while supporting over 93,000 jobs in the state. This accounts for 18.5 percent of all jobs in Montana. Simply put, advertising is a critical industry for the Treasure State and elected officials should be doing everything possible to protect it—not considering legislation that would endanger it.

Taxing digital advertising is an extremely misguided idea that would have far-reaching negative consequences for businesses, consumers, and the state's economy as a whole.



Data Privacy and Online Safety



- **Spotlight**
 - States Revisiting Comprehensive
 - Sectoral Expansion
 - Data Broker
- **Blue State**
 - Private Right of Action
 - ADMT
- **Red State**
 - Social Media



Data Privacy and Online Safety

- FEDERAL PRESSURE
- N/MA TRACKING 120+ Bills Across States
- EARLY N/MA ENGAGEMENT 2025
 - Virginia
 - New York
 - Vermont
 - Connecticut
 - Maryland
 - New Mexico
 - California



Subscription Renewal

- State Updates - 15 states have introduced bills
 - AZ: HB 2799
 - CO: SB 25-145
 - CT: HB 5744, HB 5559, SB 609, SB 1248
 - GA: SB 127
 - IA: SF 121
 - MA: SD 485, HD 1083
 - MD: HB 107, SB 49
 - MS: SB 2498



Subscription Renewal

- State Updates - 15 states have introduced bills
 - NJ: AB 3766, AB 5322, SB 3877, SB 3928
 - NY: A 1221, SB 2149A, A 3928, S 4413
 - OK: HB 1851
 - PA: HB 45, HB 129
 - TN: HB 420, SB 302
 - TX: HB 860, HB 2859, SB 1007, SB 838
 - WA SB 5207



Advertising Compliance

- Direct-to-Consumer Pharmaceutical Advertising
 - OK SB 771
 - Prohibits certain direct-to-consumer advertising by pharmaceutical companies
 - Includes print and digital publications
 - Exempts ads related to public health campaigns
 - May be dead already, deadline to hear bills is March 6

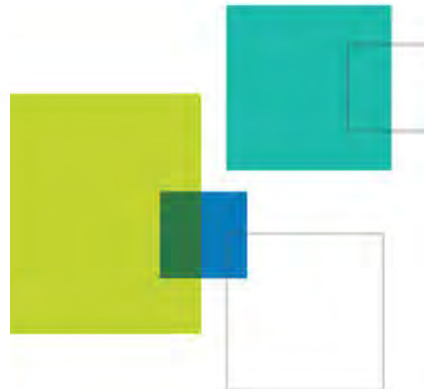
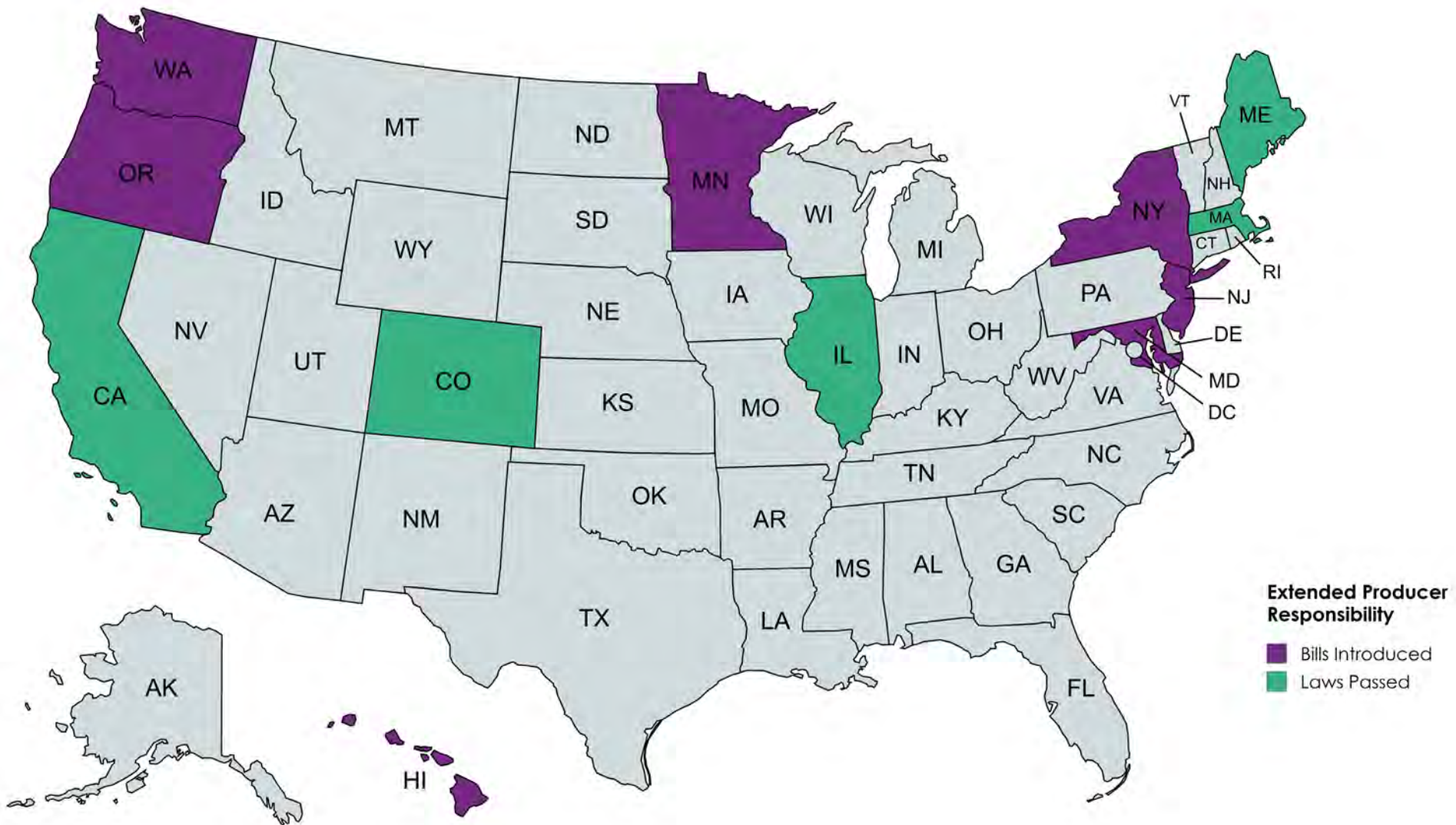


Environmental

- Extended Producer Responsibility Legislation
 - Places financial responsibility of packaging and products for disposal on producer
 - Goals:
 - Waste reduction
 - Reduced public spending on waste management
 - Innovations in product design
 - Covered products may include paper or packaging



EPR Legislation



Environmental

- Extended Producer Responsibility Legislation

- HI

- HB 750 & SB 674

- Needs assessment study required by December 31, 2028

- MD

- SB 901

- Packaging

- MN

- HF 1371

- Exempts paper from EPR

- NJ

- AB 4902

- January 27th hearing

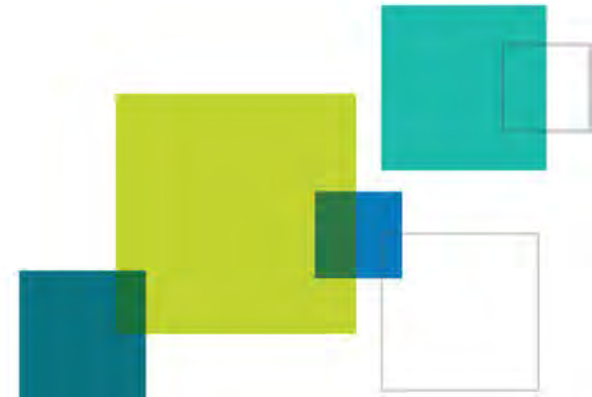
- EPR Needs Assessment Study Commission advanced

- SB 3398

- February 10th hearing

- SB 208 & AB 2094

- Packaging



Environmental

- Extended Producer Responsibility Legislation
 - NY
 - Not in Governor's budget
 - Bills focused on textiles & batteries
 - OR
 - HB 3780
 - WA
 - HB 1150, Recycling Reform Act (Amended in House Env. Comm. 2/11)
 - HB 1607 (Amended in House Env. Committee 2/18)
 - SB 5502



Public Notice



- New laws
 - NJ AB 5151
 - Signed into law December 31, 2024
 - Temporary
 - Permits continued use of newspapers for publishing required public notices until March 1, 2025
 - AB 5343 & SB 4136 - Extends authorization to use newspapers regardless of format, until June 30, 2025
- Pending bills - Highlights
 - CA
 - AB 1444 - Requires notices to be published in print, online, and on a statewide repository
 - GA
 - SB 189 – Creates statewide website under GA Department of Community Affairs
 - ID
 - HB 33, Allows for electronic publication on state controller's website



Public Notice



- Pending
 - IL
 - SB 29, Allows municipalities to publish on municipal websites
 - MA
 - H.D. 1039, Permits City to publish through digital means
 - MD
 - HB 74
 - Allows for publication in print or digital formats
 - HB 623
 - Move estate notices from newspapers to centralized website controlled by Register of Wills
 - MS
 - SB 2831, SB 2832, SB 2836
 - Modernizes public notices for counties and municipalities, allows online publication as alternative



Public Notice



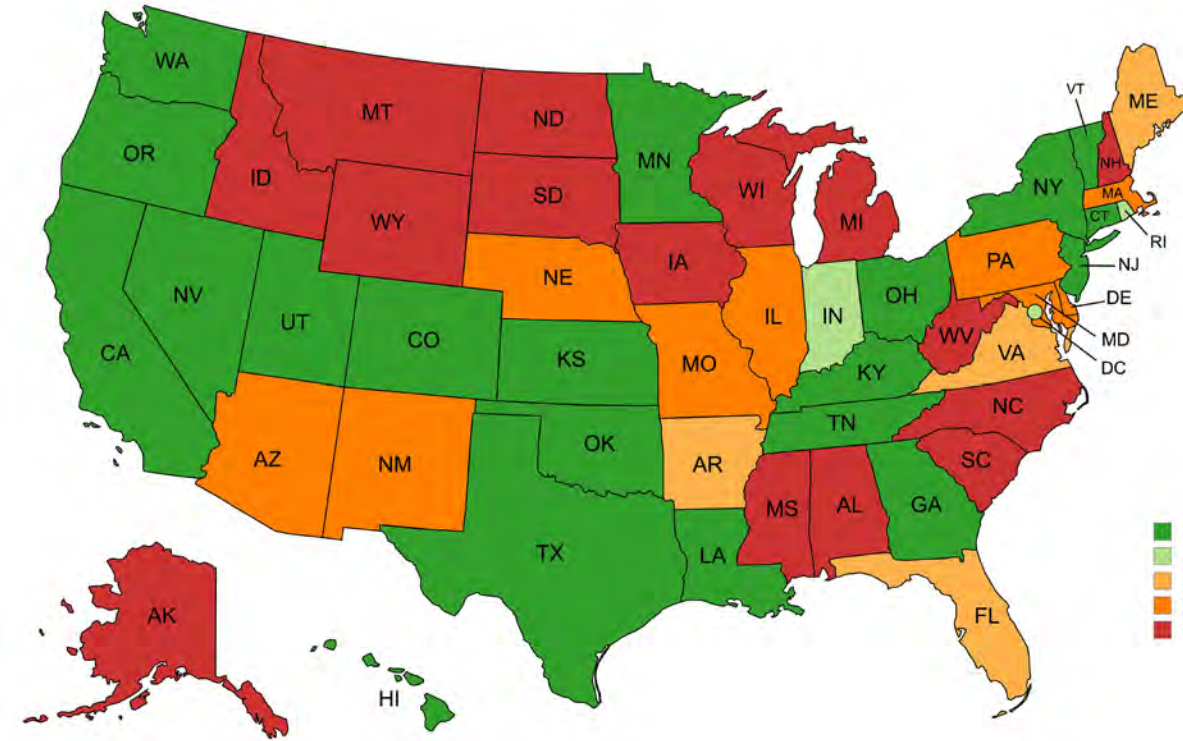
- Pending
 - OK
 - HB 2166, Revises criteria for legal newspapers (OPA support)
 - HB 2167, Revises fees and procedures (OPA support)
 - HB 2025, Counties & county officers
 - TX
 - HB 1080, Allows use of alternative media
 - WY
 - HB 298
 - Transition to centralized electronic notice system for public notices by January 1, 2030, replacing newspaper publications
- Self-Storage Bills
 - FL, GA, ID, IL, OK, OR, RI



Anti-SLAPP Modernization

■ Current state of the law

- 35 states and the District of Columbia have an anti-SLAPP law
- 15 states do not have an anti-SLAPP law:
 - Alabama
 - Alaska
 - Arizona
 - Idaho
 - Iowa
 - Michigan
 - Mississippi
 - Montana
 - New Hampshire
 - North Carolina
 - North Dakota
 - South Carolina
 - South Dakota
 - West Virginia
 - Wisconsin
 - Wyoming



Source: <https://www.ifs.org/anti-slapp-report/>

Anti-SLAPP Modernization

■ State Updates

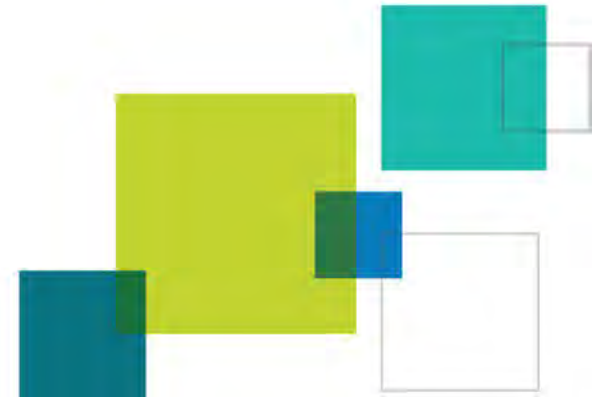
■ New bills introduced:

- IA S.F. 47 (reported fav out of committee 1/28, 2/12)*, H.S.B. 116 (intro 2/3)
- ID S. 1001 (passed Senate 1/27)*
- IL S.B. 1181 (intro 1/24)*, H.B. 1077 (passed House 2/12)*
- MA S.D. 2183 (intro 1/17), H.D. 3111 (intro 1/16), S.D. 176 (intro 1/9), H.D. 3111 (intro 1/16)
- MD H.B. 0434 (Hearing 2/12), S.B. 0167 (hearing 1/15)
- MI S.B. 0057 (intro 2/4)*, H.B. 4045* (intro 1/30)
- MO S.B. 503 (pre-filed 12/13/24)*, H.B. 83 (2nd reading 1/9)*, S.B. 352 (1st reading 1/8)*, H.B. 1092 (intro 1/28)*
- MS H.B. 1504 (intro 1/20)*
- MT H.B. 292 (Hearing 1/28)*
- NE L.B. 493 (Hearing 2/27)*
- NH H.B. 391 (Hearing 2/5, executive session 3/7)
- SC H.B. 3305 (pre-filed 12/5/24)*
- VT H. 107 (intro 1/28)
- WV H.B. 2756 (intro 2/21)*
- WY H.B. 0223 (passed House 2/23)

■ Carried over from last year:

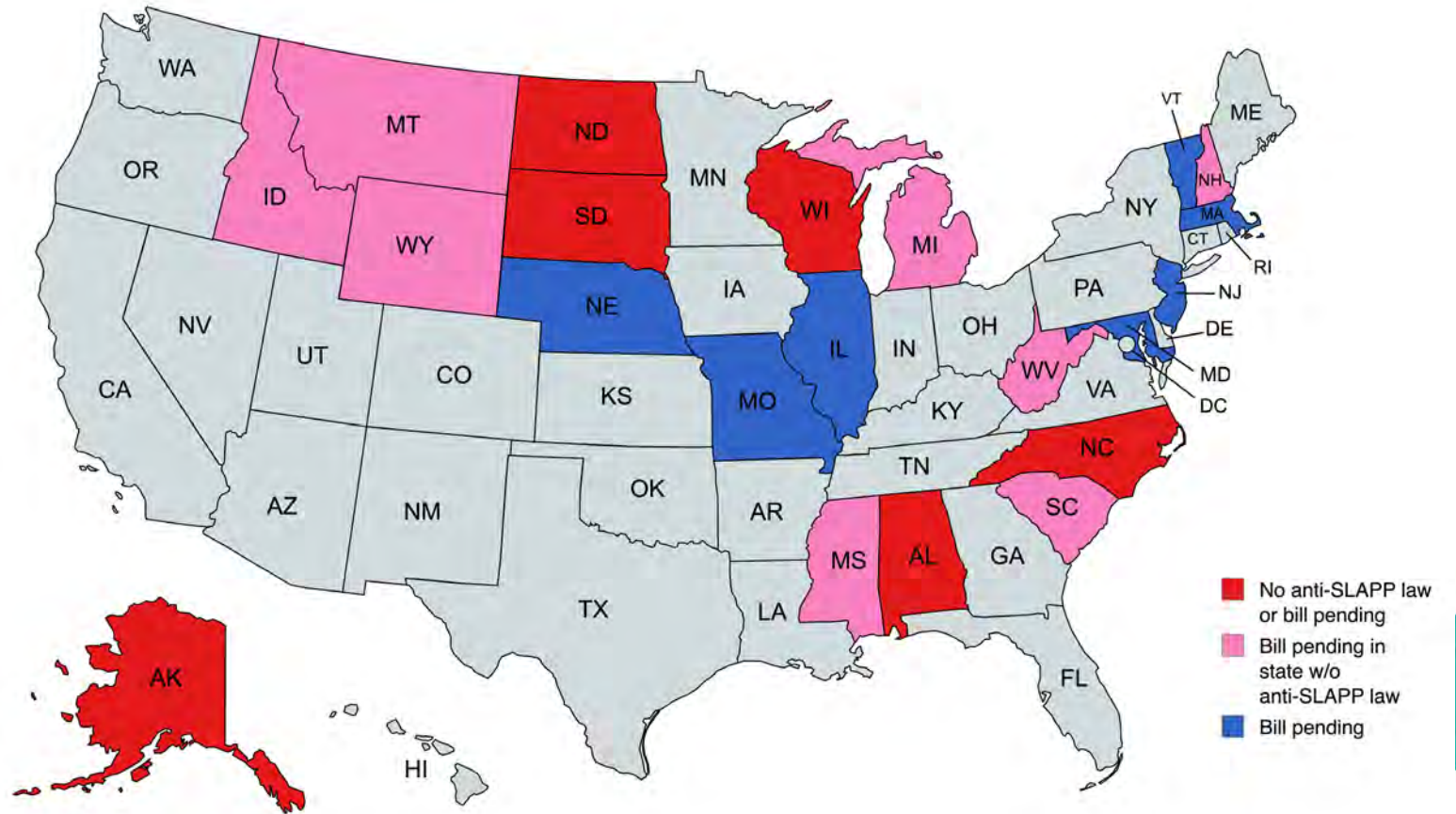
- NJ S. 3758 (pre-filed 10/7/24), A. 4857 (intro 9/23/24), S. 1732 (intro 1/9/24)

* = UPEPA



Anti-SLAPP Modernization

- 28 pending bills across 16 states
 - Bills in 9 states w/o anti-SLAPP laws
- Bad bill to watch:
 - TX S.B. 336
- Potential new bills ahead:
 - Wisconsin, New York.



Conclusion

- Q&A
- Upcoming State of the States:
 - Thursday, March 27
 - Thursday, April 24
 - Thursday, May 22
 - Thursday, June 26

