

Maryland
Tax Alert



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Publication of Digital Advertising Gross Revenues Tax Return

New *On May 9, 2023, the Supreme Court of Maryland ruled in favor of the Office of the Comptroller in the case of *Comptroller of Maryland v. Comcast of California, Maryland, Pennsylvania, Virginia, West Virginia, LLC, et al.* (“Comcast”), holding that Comcast failed to exhaust its administrative remedies prescribed in State law, and ordering the Circuit Court for Anne Arundel County to dismiss the action. The annual return for digital advertising gross revenues tax for tax year 2022 was due on April 17, 2023. Any taxpayer who delayed filing a 2022 digital ad tax return pending the outcome of *Comptroller of Maryland v. Comcast* should file their return and remit their tax payment as required by statute.*

The Comptroller’s Office has published Maryland Form 600, Digital Advertising Gross Revenues Tax Return. The form can be found [here](#). The Digital Advertising Gross Revenues Tax Return is a downloadable Microsoft Excel spreadsheet.

The Comptroller is required to administer tax laws passed by the Maryland General Assembly.² Maryland law imposes a tax on annual gross revenues derived from digital advertising services in Maryland.

Taxpayers claiming a refund of digital advertising gross revenues tax must do so by filing Form 600. Generally, Form 600 is due by the 15th day of the April following the close of the tax year.

Digital advertising gross revenues tax is a separate tax from the income tax. There is no provision in the law for a six-month filing extension as exists for income taxes. Because April 15, 2023, falls on a Saturday, the digital advertising gross revenue tax returns for tax year 2022 are due on April 17, 2023. There is no extension available for filing the digital advertising gross revenues tax return. Interest accrues on unpaid tax from the date the tax is due.

Interest is imposed on underpayment of estimated taxes unless the taxpayer qualifies for “safe harbor.” To qualify for safe harbor, the taxpayer must make estimated tax payments equaling at least 110% of the prior year tax or 90% of the current year tax. The digital advertising gross revenues tax was imposed for the first time in tax year 2022; every taxpayer’s prior year tax equals \$0. Therefore, all taxpayers qualify for safe harbor for tax year 2022, and the Comptroller will not publish a 2022 Form 600UP to calculate underpayment of estimated digital advertising gross revenues tax.

¹ This Tax Alert was updated on May 10, 2023. It was originally published on February 27, 2023. Updates are noted in italics.

² Tax-General Article §§ 2-102(a)(3), 2-104(a)(1).

If you owe digital advertising gross revenues tax with the return, arrange for payment by [electronic funds transfer](#), or mail a check to the address indicated on the form. Do not make a digital advertising gross revenues tax payment to a corporate income tax account. Amounts paid via ACH on a corporate income tax account cannot be transferred to a digital advertising gross revenues tax account.

Additional information about the Digital Advertising Gross Revenues Tax can be found [here](#).