

**HOUSE . . . . . No.**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Tricia Farley-Bouvier and Thomas W. Moakley***

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to taxation of digital advertising services.

\_\_\_\_\_

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Tricia Farley-Bouvier</i>	<i>2nd Berkshire</i>	<i>1/14/2025</i>

**HOUSE . . . . . No.**

[Pin Slip]

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

An Act relative to taxation of digital advertising services.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 29 of the General Laws is hereby amended by inserting after  
2 section 2KKKKK, as inserted by section 1 of chapter 254 of the acts of 2020, the following 2  
3 sections:-

4 Section 2LLLLL. There shall be established and set up on the books of the  
5 commonwealth a separate fund to be known as the Local Newspaper Trust Fund, hereinafter  
6 referred to as the fund, for the purposes of aiding local businesses and promoting an informed  
7 populace. The fund shall provide, without further appropriation, grants to newspapers: (i) with a  
8 principal place of business within the commonwealth and (ii) circulation not exceeding 50,000  
9 on weekdays. The secretary of housing and economic development shall administer the fund,  
10 develop eligibility and application requirements and select grant recipients.

11 The fund shall consist of: (i) fifteen percent of revenue from the tax on digital advertising  
12 services within the commonwealth as provided in subsection (d) of section 82 of chapter 63,  
13 annually; (ii) interest earned on such revenues; and (iii) funds from public and private sources,

14 including, but not limited to, gifts, federal or private grants, donations, rebates and settlements  
15 received by the commonwealth that are specifically designated to be credited to the fund.

16 No expenditure from the fund shall cause the fund to be in deficiency at the close of a  
17 fiscal year. Monies deposited in the fund that are unexpended at the end of the fiscal year shall  
18 not revert to the General Fund and shall be available for expenditure in the subsequent fiscal  
19 year.

20 Section 2MMMMM. There shall be established and set up on the books of the  
21 commonwealth a separate fund to be known as the Pre-K and After School Program Trust Fund.  
22 The fund shall provide, without further appropriation, grants to the Massachusetts universal pre-  
23 kindergarten program, early education and care programs and school-aged child care programs,  
24 as defined in section 1A of chapter 15D. The commissioner of elementary and secondary  
25 education and commissioner of early education and care shall administer the fund, develop  
26 eligibility and application requirements and select grant recipients.

27 The fund shall consist of: (i) eighty-five per cent of the revenue from the tax on digital  
28 advertising services within the commonwealth as provided in subsection (d) of section 82 of  
29 chapter 63; (ii) interest earned on such revenues; and (iii) funds from public and private sources,  
30 including, but not limited to, gifts, federal or private grants, donations, rebates and settlements  
31 received by the commonwealth that are specifically designated to be credited to the fund.

32 No expenditure from the fund shall cause the fund to be in deficiency at the close of a  
33 fiscal year. Monies deposited in the fund that are unexpended at the end of the fiscal year shall  
34 not revert to the General Fund and shall be available for expenditure in the subsequent fiscal  
35 year.

36 SECTION 2. Chapter 63 of the General Laws, as appearing in the 2018 Official Edition,  
37 is hereby amended by adding the following section:-

38 Section 82. (a) As used in this section the following terms shall, unless the context clearly  
39 requires otherwise, have the following meanings:

40 “Digital advertising services”, advertisement services on a digital interface, including  
41 advertisements in the form of banner advertising, search engine advertising, interstitial  
42 advertising and other comparable advertising services.

43 “Digital interface”, any type of software, including a website, part of a website or an  
44 application that a user may access.

45 “IP address”, a unique string of characters assigned to each device connected to a  
46 computer network using the Internet Protocol for communication.

47 “User”, an individual who accesses a digital interface using a device with an IP address.

48 (b) There shall be assessed and levied in each calendar year an excise on the sale of  
49 digital advertising services within the commonwealth on corporations or companies with revenue  
50 from digital advertising services in excess of \$25 million per year within the commonwealth.  
51 The excise shall be assessed at a rate equal to 5 per cent of the corporation’s or company’s  
52 annual revenue from digital advertising services within the commonwealth. A digital advertising  
53 service shall be deemed to have been provided within the commonwealth if it is received on a  
54 user’s device having an IP address located within the commonwealth.

55           (c) Corporations or companies with revenue from digital advertising services in excess of  
56 \$25 million per year within the commonwealth shall remit the excise described in subsection (b)  
57 to the commissioner of revenue on a monthly basis.

58           (d) The commissioner of revenue shall deposit revenue from the excise described in  
59 subsection (b) as follows: (i) fifteen percent in the Local Newspaper Trust Fund established in  
60 section 2LLLLL of chapter 29, annually; (ii) eighty-five per cent of the annual revenue into the  
61 Pre-K and After School Trust Fund established in section 2MMMMM of said chapter 29; and  
62 (iii) any remaining funds into the General Fund established in section 2 of said chapter 29.