

**SENATE . . . . . No.**

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**The Commonwealth of Massachusetts**

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PRESENTED BY:

***Patricia D. Jehlen***

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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 establishing a tax on local revenues from digital advertising.

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PETITION OF:

NAME:

*Patricia D. Jehlen*

DISTRICT/ADDRESS:

*Second Middlesex*

**SENATE . . . . . No.**

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[Pin Slip]

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE SENATE, NO. 1846 OF 2023-2024.]

**The Commonwealth of Massachusetts**

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

An Act establishing a tax on local revenues from digital advertising.

*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. The General Laws are hereby amended by inserting after chapter 64N the  
2 following chapter:

3 CHAPTER 64O

4 DIGITAL ADVERTISING LOCAL REVENUES TAX.

5 Section 1. As used in this chapter, terms shall have the following meanings:

6 (a) “annual revenues” means income or revenue from all sources, before any expenses or  
7 taxes, computed according to generally accepted accounting principles earned in the  
8 commonwealth.

9 (b) “assessable base” means the annual revenues derived from digital advertising services  
10 in the commonwealth.

11 (c) “commissioner” means the commissioner of revenue.

12 (d) “digital advertising services” includes advertisement services on a digital interface,  
13 including advertisements in the form of banner advertising, search engine advertising, interstitial  
14 advertising, promoted, boosted, or sponsored content, and other comparable advertising services.

15 (e) “digital interface” means any type of software, including a website, part of a website,  
16 application, or part of an application, that a user is able to access.

17 (f) “user” means an individual or any other person who accesses a digital interface with a  
18 device.

19 Section 2. The commissioner shall impose a tax on annual gross revenues of a person  
20 derived from digital advertising services in the commonwealth. For the purposes of this chapter,  
21 digital advertising services are provided in the commonwealth if the digital advertising services  
22 appear on the device of a user:

23 (a) with an Internet Protocol address that indicates the user’s devices is located in the  
24 commonwealth; OR

25 (b) who is known or reasonably presumed to be using the device in the commonwealth.

26 Section 3. The digital advertising gross revenues tax rate shall be:

27 (a) 5 per cent of the assessable base for a person with annual gross revenues of  
28 \$50,000,000 through \$100,000,000;

29 (b) 10 per cent of the assessable base for a person with annual gross revenues of  
30 \$100,000,001 through \$200,000,000; AND

31 (c) 15 per cent of the assessable base for a person with annual gross revenues exceeding  
32 \$200,000,001.

33 Section 4. Each person that, in a calendar year, has annual gross revenues derived from  
34 digital advertising services in the commonwealth of at least \$100,000 shall complete, under oath,  
35 and file with the commissioner a return, on or before April 15 the next year.

36 Each person that reasonably expects the person's annual gross revenues derived from  
37 digital advertising services in the commonwealth to exceed \$100,000 shall complete, under oath,  
38 and file with the commissioner a declaration of estimated tax, on or before April 15 of that year.  
39 Such a person shall also complete and file with the commissioner a quarterly estimated tax return  
40 on or before June 15, September 15, and December 15 of that year.

41 A person required to file a return under this section shall file with the return an  
42 attachment that states any information that the commissioner requires to determine annual gross  
43 revenues derived from digital advertising services in the commonwealth.

44 A person required to file a return under this section shall maintain records of digital  
45 advertising services provided in the commonwealth and the basis for the calculation of the digital  
46 advertising gross revenues tax owed.

47 Section 5. (a) Except as required in subsection (b) of this section, each person required to  
48 file a return under this chapter shall pay the digital advertising gross revenues tax with the return  
49 that covers the period for which the tax is due.

50 (b) A person required to file estimated digital advertising gross revenues tax returns  
51 under this chapter shall pay:

52 (1) at least 25 per cent of the estimated digital advertising gross revenues tax shown on  
53 the declaration or amended declaration for a taxable year with the declaration or amended  
54 declaration that covers the year AND with each quarterly return for that year; AND

55 (2) any unpaid digital advertising gross revenues tax for the year shown on the person's  
56 return that covers that year with the return.

57 Section 6. If a notice of assessment and demand for a return is made by the commissioner  
58 under chapter 62C §31 and a return for the digital advertising gross revenues tax is not filed, the  
59 commissioner shall estimate gross revenues from the best information in possession of the  
60 commissioner and assess the tax due on the estimated assessable base.

61 Section 7. An assessment of digital advertising gross revenues tax may be made at any  
62 time if:

63 (a) a false return is filed with the intent to evade the tax;

64 (b) a willful attempt is made to evade the tax;

65 (c) a return is not filed as required under this law or subsequent regulation promulgated  
66 by the commissioner;

67 (d) an incomplete return is filed; OR

68 (e) a report of federal adjustment is not filed within the period required under chapter  
69 62C §30 of the general laws. If a report of federal adjustment is filed within the time required

70 under this title, the tax collector shall assess the digital advertising gross revenues tax within 1  
71 year after the date on which the tax collector receives the report.

72 Section 8. This act shall take effect for the tax year beginning on January 1, 2024.