

Sales/Use/Indirect:

Maryland: New Law Imposes 3% Sales Tax on Certain Information Technology and Data Services

H.B. 352, signed by gov. 5/20/25. Effective July 1, 2025, recently signed legislation imposes a new 3% sales tax on information technology and data services. Specifically, the legislation expands the definition of “taxable services” for Maryland sales and use tax purposes to include certain data or information technology services, and it provides that the listed data or information technology services are subject to a 3% sales tax rate. For purposes of sourcing sales of taxable data or information technology services, the legislation applies the same sourcing rules as those used to source the retail sale of digital codes and digital products. Additionally, the legislation allows buyers of digital codes, digital products, and taxable data or information technology services to provide the vendor a certificate indicating multiple points of use (“MPU”) at the time of purchase. Note that the Maryland Comptroller has posted additional information on these tax law changes on its website here: “New Tax Year 2025 Changes.”

URL: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/HB0352?ys=2025RS>

URL: <https://www.marylandcomptroller.gov/2025TaxUpdates.html>

Among other tax-related provisions in this bill, the legislation also establishes an individual income tax capital gains surcharge of 2% for taxpayers with annual income greater than \$350,000.

See recently issued Multistate Tax Alert for more details on this newly signed legislation, and please contact us with any questions.

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