

A NEW ADMINISTRATION AND A NEW CONGRESS

While there was no shortage of drama leading up to the moment, January 20th passed without incident and President Joseph Biden was inaugurated as the 46th President of the United States. And with two surprising Senate wins in Georgia, President Biden comes into office with a Democrat-controlled House and Senate, however slim the majority.

With the new majority in the Senate, one of President Biden's first acts will be to try and pass his 1.9 trillion dollar rescue package, with another trillion dollar recovery package expected to follow later this year. It's likely that in this second recovery package is where industry can start to expect some of the projected tax increases to start showing-up (i.e. raising the corporate tax rate from 21% to 28%, revisiting the deductibility of advertising as a business expense, etc.)

In a bit of good news for the industry, one of President Biden's first acts in office was to rescind the previous Administration's Executive Order (EO) 13950. EO 13950 created a lot of uncertainty by placing confusing new restrictions on a federal contractor's ability to offer diversity training to employees and subcontractors.

STATE PRIVACY LEGISLATION UPDATE

In the wake of CCPA (and CPRA, the ballot initiative that amended CCPA last year), many states are starting to follow California's lead in introducing their own comprehensive privacy legislation. Right now, Hawaii, Virginia, Nebraska, Washington, and North Dakota are considering privacy bills. To learn more about the 4A's efforts in working with state legislatures on these bills, see here.

While states continue to work to pass their own versions of comprehensive privacy legislation, the 4A's continues to work with <u>Privacy for America</u> to support the enactment of a comprehensive federal privacy law. To learn more about why a comprehensive federal privacy law is so important for our industry, here's a short 4A's video with Venable LLP Chairman and Privacy for America head Stu Ingis giving a <u>quick overview</u>.

STATE DIGITAL TAXATION UPDATE

After Maryland became the first state to pass a digital advertising tax last year, several states have followed-up with the introduction of their own versions of digital advertising taxes. Despite Maryland's bill passing last year, it became somewhat "formal" this week as the Maryland legislature voted to override the Governor's veto of the bill. It still remains to be seen what will ultimately come of the bill, as it is likely that the bill will face legal challenges at this point.

Currently, states including Connecticut, New York, Montana, Oregon, Indiana, Nebraska and South Carolina are considering different versions of bills that would introduce new taxes on digital advertising in some fashion.

To see a quick overview of state efforts to tax digital advertising, please see this short video between the 4A's Sal Conte and Alison Pepper providing an overview of what's going on in the <u>states</u>.

PARTNERSHIP FOR RESPONSIBLE ADDRESSABLE MEDIA (PRAM) UPDATE

Founded last year in response to the end of third-party cookies and Apple IDFA changes, <u>PRAM</u> is a joint industry initiative to advance a new kind of neutral identity resolution solution to preserve critical industry functionality like measurement and attribution.

After several months of work, the various PRAM working groups (Business Practices, Technical Standards and Privacy, Policy And Legal Considerations) have started to move towards an agreed-upon industry solution (or solutions). An update by working group includes:

- Business Practices The Business Practices Working Group has recently released its first working draft of identified business use cases here.
- Technical Standards In January PRAM <u>put out a call</u> to the industry to submit addressability code to be considered for collaborative development as a possible PRAM identity solution (or solutions). Submissions must be able to be used industry wide, and must be based on PRAM principles.
- Privacy, Policy, And Legal Considerations The Privacy, Policy, And Legal Considerations Working Group is currently working to develop a new transparency and accountability framework for any final identity solution (or solutions) to ensure that non-interference principles are established, and accountability mechanisms for lack of compliance are in place.

For more information please contact 4A's Executive Vice President of Government Relations Alison Pepper.







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