



**The Association of
National Advertisers**

October 22, 2025

Comprehensive Property Tax Task Force
Room 414 - State Capitol
Pierre, South Dakota 57501

Dear President Carr, Speaker Hansen, and Members of the Property Tax Task Force,

I hope this letter finds you well. I know most of you and I thank you for your continued service to the state of South Dakota. For the handful of the committee members that I have not yet met, my name is Deb Peters and I have extensive experience in state tax law. I'm a former South Dakota State Senator, past President of the National Conference of State Legislatures, and past President of the Streamline Sales Tax Governing Board. I'm writing to you on behalf of the Association of National Advertisers to express our strong opposition to your proposal to tax advertising services.

I spent many years in your shoes where I too worked to lower property taxes in South Dakota. However, the proposals which strip the sales tax exemption on advertising services in order to reduce the property tax are simply shifting the tax burden from property owners to all South Dakota families and businesses with a regressive tax.

Research shows that advertising taxes harm local businesses and consumers more than the corporations they seek to impact. A study commissioned by Deloitte found that France's digital advertising tax impacted consumers the most, with 55 percent of the total tax burden passed on directly to them, resulting in a functional tax hike for taxpayers. For small businesses, these taxes lead to more challenging choices – either significantly raising consumer prices, reducing services, laying off staff, or shutting down completely.

Residents of South Dakota, like most Americans, are still navigating significant economic pressures, including the lingering effects of runaway inflation that began years ago. This creates even more economic uncertainty for businesses and consumers. Additional taxes would only compound these challenges, driving people and investments out of South Dakota and, in an ironic turn, actually increase property taxes.

Proponents of advertising taxes have long argued that they would only affect a handful of multi-billion-dollar companies, but the truth hits much closer to home. Like all business-to-business costs, South Dakota consumers and small businesses will be disproportionately burdened instead.

At a time when President Trump is cutting taxes on hardworking families and small businesses, this proposal would impose a tax on every single business advertising in South Dakota, and in turn, raise the price of the goods and services they offer. President Trump has also taken on the

battle against advertising taxes and has threatened additional tariffs on countries that do tax digital advertising.

The ability of businesses of all sizes to access online platforms and reach new customers has leveled the playing field, allowing start-ups, local newspapers, and countless small businesses to grow and find success. The last thing South Dakota business owners and entrepreneurs need is a tax on their efforts to tell consumers about the important goods and services they offer.

In addition to leveling the playing field for South Dakota businesses, advertising is a critical part of South Dakota's economy. According to an independent study commissioned by the Association of National Advertisers, advertising expenditures generated \$16.2 billion in economic activity, while supporting 84,810 jobs in the state. This accounts for 18.1 percent of all jobs in South Dakota. Simply put, advertising is a critical industry for South Dakota and elected officials should be doing everything possible to protect it—not considering legislation that would endanger it.

As a former State Senator, I urge you to focus on ways to harness the state's opportunity to build a more competitive business environment which would encourage innovation and grow the overall tax base. As a CPA and state tax law expert, I hope that you will see that this misguided idea to tax advertising services would have far-reaching, negative consequences for businesses, consumers, and South Dakota's economy. For these reasons I urge you to oppose this proposal.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Deb Peters', with a stylized flourish extending to the right.

Deb Peters, CPA

Tax Expert and Consultant for Association of National Advertisers



ADVERTISING MEANS **JOBS** IN **SOUTH DAKOTA**

Advertising Helped Support

84,810 Jobs
or 18.1% of All Jobs
in South Dakota

Advertising Helped Generate

\$16.2 Billion
in Economic Activity
in South Dakota

Every 1 Advertising Job Supports **99** Jobs Across Multiple Industries in **South Dakota**.

Advertising Creates & Supports American Jobs

The Advertising sector supported 29 million American jobs across multiple industries in 2024 and, on average, every one advertising job supported 49 jobs. Few other sectors have as significant an impact on the American economy.

Advertising Stimulates Economic Growth

Spending by businesses to advertise their products and services directly stimulated \$3.5 trillion in sales activity in 2024. Overall, \$10.4 trillion in sales activity was generated through a combination of direct and indirect advertising-related spending.

Advertising Empowers American Consumers

Advertising allows businesses of all sizes to reach consumers quickly and easily. This is especially crucial for small and Main Street businesses who rely on advertising to be competitive. For consumers, this leads to lower prices, more choices, and greater overall satisfaction with the products and services they choose.

Advertising is the Lifeblood of the American Economy

Every dollar spent on advertising has a multiplier effect on the economy – whether it's fueling sales, supporting supplier purchasing, or lowering prices for consumers. Advertising is a central component of the American economy and the total impact of advertising-related spending supported nearly 20% of the U.S. Gross Domestic Product (GDP) in 2024.

Source: The Economic Impact of Advertising on the US Economy, 2024-2029, S&P Global Market Intelligence, January 2025. This research was sponsored by The Advertising Coalition (TAC). TAC is an alliance of the nation's leading media companies and trade organizations broadly representing advertising-centric businesses and interests across the country. Since 1913, advertising has been recognized as a normal business expense, fully deductible in the year it is spent. For three decades, TAC has advocated to preserve this fairness for our industry. Learn more about how advertising affects your district here: theadcoalition.com