



February 5, 2026

Washington State Capitol
ATTN: Jarrett Sacks
John A. Cherberg Building
P.O. Box 40466
Olympia, WA 98504-0466

**Re: SB 5400 – “An act relating to supporting local news journalism.”
(Oppose)**

Dear Chair Robinson and Members of the Senate Ways and Means Committee:

On behalf of the Computer & Communications Industry Association (CCIA), I write to respectfully oppose SB 5400 in advance of the February 5, 2026 hearing of the Senate Ways and Means Committee. CCIA is an international, not-for-profit trade association representing a broad cross-section of communications and technology firms.¹ Therefore, proposed regulations on the interstate provision of digital services can have a significant impact on our members, including those that host or link to news content.

CCIA values free speech and recognizes the important role of local journalism; however, the bill will not solve the challenges newsrooms are facing today. We have serious concerns about the bill’s constitutionality and the likely long-lasting, detrimental effects on Washington’s news and digital services industries. Under SB 5400, a “local journalism investment surcharge” of 1.22% would be imposed on “covered platforms” that have an annual gross income of more than \$5 million. However, the bill makes no basis for seeking this revenue transfer from the very digital services that drive traffic to online news publications and only mentions the decrease in newspaper advertising and newsroom staff.

While the bill is correct in noting there is a major transition going on in newsrooms nationwide, this transition has many causes, as explained by a 2022 report from the U.S. Copyright Office.² Overall, there is little evidence that online services’ linking to news sites is the cause, and in reality, news sites depend on linking, and the publications get much of their traffic from search engines and social media websites.

SB 5400 conflicts with federal law and could invite legal challenges.

Similar to other taxes that have been enacted or considered, SB 5400 conflicts with the federal Internet Tax Freedom Act (ITFA), which prohibits states from imposing “discriminatory taxes on electronic commerce”. Given that the proposed bill only targets a tax on specific “search engine(s)” and “social media platform(s)”, it is clear these provisions are likely to only target online business activities in a way that cannot be applied to offline activities, and therefore fall

¹ For more than 50 years, CCIA has promoted open markets, open systems, and open networks. CCIA members employ more than 1.6 million workers, invest more than \$100 billion in research and development, and contribute trillions of dollars in productivity to the global economy. A list of CCIA members is available at <https://www.ccianet.org/members>.

² *Copyright Protections for Press Publishers: A Report of the Register of Copyrights* (June 2022), <https://www.copyright.gov/policy/publishersprotections/202206-Publishers-Protections-Study.pdf>, at 7-16.



under the scope of a “discriminatory tax”. Previous efforts in various states have seen multiple challenges at both the state and federal levels. For example, Maryland’s 2021 enactment of the “Digital Advertising Gross Revenues Tax” (DAGRT) was ruled “unconstitutional and illegal” by a state court. Many of these arguments also appear similarly applicable to the proposed tax under SB 5400. In times of facing a budget shortfall, it would be imprudent to advance legislation that is likely to face a similar fate of costly litigation.³

The bill will not contribute to sustainable, meaningful funding for community publications.

Even with provisions that discuss newsrooms with a smaller number of journalists, the funding from the surcharge would go to larger publications. The primary distribution mechanism is designed to scale with the size of a publication’s workforce. As larger publications have more news journalists, they would receive a larger share of the total funding pool. Additionally, ignoring critical issues newsrooms are facing, like relieving news deserts, aiding in modernization, and relieving debts, the bill stands to potentially further consolidate the news landscape, reducing the diversity of local communications.

In various parts of the world, these kinds of link taxes have passed and created detrimental conditions for both community publications and internet users alike. These past efforts in Germany, Spain, and France, as well as ongoing efforts in Canada and Australia, have resulted in vast reductions in traffic being driven to news websites.⁴ Indigenous and immigrant community publications (including publications categorized as “ethnic media” by the bill), which often rely primarily on the internet to reach their audiences, have also been disproportionately affected, and vital investment in the news industry has slowed dramatically or stopped altogether due to the uncertainty of these laws.⁵

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Even with the bill’s revision of no longer using funding from Washington’s Workforce Education Investment Account, SB 5400 now targets social media websites and search engines, operating more as a link tax than in previous versions. Putting these serious legal and economic problems aside, the bill would start the internet down a slippery slope. The internet depends on linking, and once Washington requires these kinds of agreements that mandate if and how a digital service can host news, there would be no end to Washington (and other states) applying similar practices to other industries favored by legislatures. During a time when half of U.S. adults get news “at least sometimes” from social media, publications must be able to reach their current and potential audiences.⁶

³ Kim Malcolm & Shane Mehling, *Can Washington state lawmakers cut their way out of a \$2 billion shortfall?*, KUOW (Jan. 13, 2026), <https://www.kuow.org/stories/can-washington-state-lawmakers-cut-their-way-out-of-a-2-billion-shortfall>.

⁴ *Link Tax Failures: Global Efforts Continue to Uproot the Internet’s Foundation and Journalism Ecosystem*, CCIA (May 14, 2024), <https://ccianet.org/library/link-tax-failures-global-efforts-continue-to-uproot-internets-foundation-and-journalism-ecosystem/>.

⁵ *Panel Urges Policymakers to Consider Past Lessons on Link Tax Policies*, CCIA (Sept. 17, 2024), <https://ccianet.org/articles/panel-urges-policymakers-consider-past-lessons-link-tax-policies/>.

⁶ *Social Media and News Fact Sheet*, Pew Research Center (Sept. 17, 2023), <https://www.pewresearch.org/journalism/fact-sheet/social-media-and-news-fact-sheet/>.



We appreciate your consideration of our comments and stand ready to provide additional information as the Washington Legislature considers proposals related to technology policy.

Sincerely,

Aodhan Downey
State Policy Manager, West Region
Computer & Communications Industry Association