



Local Journalism Sustainability Act

116th Congress

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Supported by: News Media Alliance, National Newspaper Association, America's Newspapers, Report for America, Rebuild Local News Coalition

The COVID-19 pandemic has caused economic damage across virtually every sector of our economy. Local newspapers and media outlets already faced financial challenges before this crisis and have had those challenges exacerbated. In light of this, the Local Journalism Sustainability Act proposes a series of three tax credits aimed at bolstering local newspapers and media.

Credit for Local Newspaper Subscriptions

- This five-year non-refundable tax credit of up to \$250 per year would help cover the costs of subscriptions to local newspapers, defined as print and online publications which primarily produce content related to news and current events and which have a majority of their readership within the publication's state of operation or within 200 miles.
- The credit would cover **80% of subscription costs in the first year and 50% of subscription costs in each of the subsequent four years.**
 - o If a reader spends \$200 on subscriptions in a year, they would be eligible for a \$160 credit in the first year and a \$100 credit in each of the following four years.
 - o To receive the full \$250 credit, a reader would have spent at least \$312.50 in the first year, and \$500 each of the following four years.

Payroll Credit for Compensation of Journalists

- This five-year refundable tax credit would provide local newspapers (utilizing the same definition as above) a credit to use for the compensation of journalists.
 - o The credit may be used on **compensation up to \$50,000 a year.**
- The credit would cover **50% of compensation**, up to \$50,000, in the first year and **30% of compensation**, up to \$50,000, in each of the subsequent four years.
 - o A local newspaper may claim up to \$25,000 per journalist in the first year and up to \$15,000 per journalist in each of the following four years.

Credit for Advertising in Local Newspapers and Local Media

- This five-year non-refundable tax credit would provide businesses with less than 1,000 employees up to **\$5,000 in the first year** and up to **\$2,500 in each of the subsequent four years** to spend on advertising with local newspapers and local media.
 - o Local newspaper maintains the same definition as in the other two credits.
 - o Local media is defined as radio and television stations that have at least 90% of their audience within a 50-mile radius.
- The credit would cover **80% of advertising costs in the first year and 50% in each of the next four years.**
 - o To receive the full \$5,000 in the first year, a business would have to spend at least \$6,250 on advertising in local newspapers and local media.
 - o To receive the full \$2,500 in any of the next four years, a business would have to spend at least \$5,000 on advertising in local newspapers and local media.