

Google's Call to Action

Google asks its customers to act against state regulation

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1 WHAT'S HAPPENING?

Did you get an email from Google asking you to join their fight against state regulations? So did everyone else. They're arguing that new regulations will make it "harder and more expensive to reach customers online" and asking advertisers to sign up for alerts. So is the "don't be evil" giant on the side of small businesses... or just their own profits?

2 WHAT'S IT MEAN?

Higher costs. Smaller advertisers who grudgingly accept [country digital service taxes](#) every month will likely find additional state-level taxes too heavy a burden. So while Google has been rightly criticized in the past for putting [unfair content demands](#) on small businesses and [favoring larger advertisers](#), it looks like their interests really are aligned with small business... at least this time around.

3 HOW WILL THIS AFFECT ADVERTISERS?

If every state imposes a [Digital Sales Tax](#) (DST) for the privilege of advertising in their jurisdiction, the price of advertising on Google will rapidly become unsustainable for advertisers who don't have deep pockets... and quite a few who do. Right now, if you're targeting a user in Canada and someone engages with the ad, the advertiser will pay a 2.5% fee on the cost of that click. Multiply that by fifty states and you'll see where this is going.

The problem doesn't end with DST. States could also impose restrictions on ad types, ad targeting, and other compliance requirements. This means more monitoring, more compliance checking, and the risk of more violation fees. Again: multiply that by every state. How many small businesses have funds, tools, and human resources to tackle that bureaucratic nightmare?

4 WHAT'S THE BIGGER PICTURE?

These are risky times for Google. As breakthroughs in AI have created new search competitors like ChatGPT and Perplexity, Google is vulnerable to regulation that are intended—at least on paper—to create fairer market conditions to "shake up" the search market that Google has dominated for decades.

2025 has seen Google and other large tech sector companies like Meta and NVIDIA take strong stances against government intervention in their businesses. As digital advertising matures and represents a larger part of the economy, public scrutiny will increase.

5 WHAT'S OUR READ?

This isn't just a problem for Google. Meta, LinkedIn, X, and every other platform will have to contend with DST. They'll either have to absorb the cost or pass it on to advertisers.

Even if Google takes a hit to their revenue, it's not necessarily bad news for you. Advertisers should be excited to see AI-powered search engines like ChatGPT challenging Google's search dominance, as it is an opportunity to diversify their search media.

Watch out for new digital service taxes on your ad platform invoices. With DSTs, not all users are created equal: the tax could be 2% in one state and 8% in the next. If that Google email does come your way, consider signing up.

Sources:
Corporate communication from Google, [Meta](#), [NVIDIA](#)



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On a scale from 1 (just wait) to 10 (too late), how fast should you move on this?