

# SENATE BILL 247

Q3, C8

6lr1292  
CF HB 400

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By: ~~Senator Beidle~~ Senators Beidle, Augustine, Guzzone, Hettleman, King,  
Lewis Young, McCray, Rosapepe, and Zucker

Introduced and read first time: January 16, 2026

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 9, 2026

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Biotechnology Investment Incentive Tax Credit – Conversion to Grant Program**

3 FOR the purpose of converting the Biotechnology Investment Incentive Tax Credit to be  
4 the Biotechnology Investment Incentive Grant Program in the Department of  
5 Commerce; requiring the Department to disburse a grant within a certain time  
6 period; allowing a subtraction modification under the Maryland income tax for  
7 certain grants received during the taxable year; and generally relating to the  
8 Biotechnology Investment Incentive Grant Program.

9 BY transferring

10 Article – Tax – General

11 Section 10–725(a), (b), (c), (d) and (e), (f), (g), (h), and (i)

12 Annotated Code of Maryland

13 (2022 Replacement Volume and 2025 Supplement)

14 to be

15 Article – Economic Development

16 Section 5–2701, 5–2702, 5–2703, 5–2704, 5–2706, 5–2707, 5–2708, and 5–2709,  
17 respectively, to be under the new subtitle “Subtitle 27. Biotechnology

18 Investment Incentive Grant Program”

19 Annotated Code of Maryland

20 (2024 Replacement Volume and 2025 Supplement)

21 BY repealing and reenacting, with amendments,

22 Article – Economic Development

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



- 1 Section 2.5–109(a), 6–1001(b), (c), and (e), and 6–1006  
2 Annotated Code of Maryland  
3 (2024 Replacement Volume and 2025 Supplement)
- 4 BY repealing and reenacting, with amendments,  
5 Article – Economic Development  
6 Section 5–2701 through 5–2704 and 5–2706 through 5–2709  
7 Annotated Code of Maryland  
8 (2024 Replacement Volume and 2025 Supplement)  
9 (As enacted by Section 1 of this Act)
- 10 BY adding to  
11 Article – Economic Development  
12 Section 5–2705  
13 Annotated Code of Maryland  
14 (2024 Replacement Volume and 2025 Supplement)
- 15 BY repealing and reenacting, without amendments,  
16 Article – Economic Development  
17 Section 6–1001(a) and (d)  
18 Annotated Code of Maryland  
19 (2024 Replacement Volume and 2025 Supplement)
- 20 BY repealing and reenacting, without amendments,  
21 Article – Tax – General  
22 Section 10–207(a) and 10–307(a)  
23 Annotated Code of Maryland  
24 (2022 Replacement Volume and 2025 Supplement)
- 25 BY adding to  
26 Article – Tax – General  
27 Section 10–207(rr) and 10–307(h)  
28 Annotated Code of Maryland  
29 (2022 Replacement Volume and 2025 Supplement)
- 30 BY repealing  
31 Article – Tax – General  
32 Section 10–725(j)  
33 Annotated Code of Maryland  
34 (2022 Replacement Volume and 2025 Supplement)
- 35 BY repealing and reenacting, with amendments,  
36 Article – Tax – General  
37 Section 10–804(j)(1)  
38 Annotated Code of Maryland  
39 (2022 Replacement Volume and 2025 Supplement)

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
2 That Section(s) 10–725(a), (b), (c), (d) and (e), (f), (g), (h), and (i) of Article – Tax – General  
3 of the Annotated Code of Maryland be transferred to be Section(s) 5–2701, 5–2702, 5–2703,  
4 5–2704, 5–2706, 5–2707, 5–2708, and 5–2709, respectively, to be under the new subtitle  
5 “Subtitle 27. Biotechnology Investment Incentive Grant Program” of Article – Economic  
6 Development of the Annotated Code of Maryland.

7 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read  
8 as follows:

9 **Article – Economic Development**

10 2.5–109.

11 (a) In this section, “economic development program” means:

12 (1) the Economic Development Opportunities Program Account  
13 established under § 7–314 of the State Finance and Procurement Article;

14 (2) the Partnership for Workforce Quality Program established under Title  
15 3, Subtitle 4 of this article;

16 (3) each of the economic development and financial assistance programs  
17 established under Title 5 of this article; and

18 (4) each of the tax credit programs administered by the Department,  
19 including:

20 (i) the Film Production Activity Tax Credit;

21 (ii) the Job Creation Tax Credit;

22 (iii) the One Maryland Economic Development Tax Credit;

23 (iv) [the Biotechnology Investment Incentive Tax Credit;

24 (v)] the Research and Development Tax Credit;

25 [(vi)] (V) the Security Clearance Administrative Expenses and  
26 Construction and Equipment Costs Tax Credit;

27 [(vii)] (VI) the Innovation Investment Incentive Tax Credit;

28 [(viii)] (VII) the More Jobs for Marylanders Tax Credit;

1                    [(ix)] (VIII) the Purchase of Cybersecurity Technology or Service Tax  
2 Credit;

3                    [(x)] (IX) the Opportunity Zone Enhancement Tax Credit;

4                    [(xi)] (X) the Small Business Relief Tax Credit;

5                    [(xii)] (XI) any other tax credit program that is administered by the  
6 Department under:

7                    1. Title 6 of this article; or

8                    2. Title 10, Subtitle 7 of the Tax – General Article; and

9                    [(xiii)] (XII) the Theatrical Production Tax Credit.

10                   Subtitle 27. Biotechnology Investment Incentive Grant Program.

11                   5–2701.

12                   (a) [(1)] In this [section] SUBTITLE the following words have the meanings  
13 indicated.

14                   [(2)] (B) “Biotechnology company” means a company organized for profit  
15 that is primarily engaged in, or within 2 months will be primarily engaged in, the research,  
16 development, or commercialization of innovative and proprietary technology that  
17 comprises, interacts with, or analyzes biological material including biomolecules (DNA,  
18 RNA, or protein), cells, tissues, or organs.

19                   [(3)] (C) [(i)] (1) “Company” means any entity of any form duly  
20 organized and existing under the laws of any jurisdiction for the purpose of conducting  
21 business for profit.

22                   [(ii)] (2) “Company” does not include a sole proprietorship.

23                   [(4) “Department” means the Department of Commerce.

24                   [(5)] (D) “FUND” MEANS THE BIOTECHNOLOGY INVESTMENT  
25 INCENTIVE GRANT PROGRAM FUND.

26                   (E) [(i)] (1) “Investment” means the contribution of money in cash or cash  
27 equivalents expressed in United States dollars, at a risk of loss, to a qualified Maryland  
28 biotechnology company in exchange for stock, a partnership or membership interest, or  
29 other ownership interest in the equity of the qualified Maryland biotechnology company,  
30 title to which ownership interest shall vest in the qualified investor.

1                    [(ii)] (2)        “Investment” does not include debt.

2                    [(iii)] (3)        For purposes of this [section] **SUBTITLE**, an investment is  
3 at risk of loss when its repayment entirely depends upon the success of the business  
4 operations of the qualified company.

5                    **(F) “PROGRAM” MEANS THE BIOTECHNOLOGY INVESTMENT INCENTIVE**  
6 **GRANT PROGRAM.**

7                    [(6)] (G)        [(i)] (1)        “Qualified investor” means any individual or entity  
8 that invests at least \$25,000 in a qualified Maryland biotechnology company and that is  
9 required to file an income tax return in any jurisdiction.

10                   [(ii)] (2)        “Qualified investor” does not include:

11                            [1.] (I)        a qualified pension plan, individual retirement  
12 account, or other qualified retirement plan under the Employee Retirement Income  
13 Security Act of 1974, as amended, or fiduciaries or custodians under such plans, or similar  
14 tax-favored plans or entities under the laws of other countries; or

15                            [2.] (II)        a founder or current employee of the qualified  
16 Maryland biotechnology company, if the company has been in active business for more than  
17 5 years.

18                   [(7)] (H)        [(i)] (1)        “Qualified Maryland biotechnology company”  
19 means a biotechnology company that:

20                            [1.] (I)        has its headquarters and base of operations in this  
21 State;

22                            [2.] (II)        has fewer than 50 full-time employees;

23                            [3.] (III)       has been in active business no longer than 12 years;

24                            [4.] (IV)       does not have its securities publicly traded on any  
25 exchange;

26                            [5.] (V)        has been certified as a biotechnology company by  
27 the Department; and

28                            [6.] (VI)       the qualified investors in the company have not  
29 received more than \$7,000,000 in tax credits **UNDER THE BIOTECHNOLOGY**  
30 **INVESTMENT INCENTIVE TAX CREDIT PROGRAM OR GRANTS** in the aggregate under  
31 this [section] **SUBTITLE**.

1                    [(ii) (2) “Qualified Maryland biotechnology company” includes a  
2 company that, within 2 months of the receipt of the investment, has met the requirements  
3 of [subparagraph (i) of this paragraph] **PARAGRAPH (1) OF THIS SUBSECTION.**

4                    [(8) “Secretary” means the Secretary of Commerce.]

5 5–2702.

6                    [(b) (A) (1) **THERE IS A BIOTECHNOLOGY INVESTMENT INCENTIVE**  
7 **GRANT PROGRAM IN THE DEPARTMENT.**

8                    (2) **THE PROGRAM IS THE SUCCESSOR TO THE BIOTECHNOLOGY**  
9 **INVESTMENT INCENTIVE TAX CREDIT PROGRAM.**

10                   [(1) (B) The [Biotechnology Investment Incentive Tax Credit is  
11 intended] **PURPOSE OF THE PROGRAM IS** to foster the growth of Maryland’s  
12 biotechnology industry by incentivizing investment in early stage companies with the goal  
13 of increasing the number of companies developing biotechnologies in Maryland, increasing  
14 overall investments in the biotechnology sector, and increasing the number of individual  
15 investors actively investing in Maryland’s life sciences companies.

16                   [(2) (C) Subject to [paragraphs (3) and (4) of this subsection and]  
17 subsections (d) and (e) of this section **AND §§ 5–2704 AND 5–2705 OF THIS SUBTITLE**, for  
18 the [taxable] **FISCAL** year in which an investment in a qualified Maryland biotechnology  
19 company is made, a qualified investor may [claim a credit against the State income tax in  
20 an amount equal to the amount of tax credit stated in the final credit certificate approved  
21 by the Secretary] **BE AWARDED A GRANT BY THE SECRETARY** for the investment as  
22 provided under this [section] **SUBTITLE.**

23                   [(3) (D) To be eligible for [the tax credit described in paragraph (2) of this  
24 subsection] **A GRANT UNDER THIS SUBTITLE**, the qualified investor shall be:

25                   [(i) (1) for a company, duly organized and in good standing in the  
26 jurisdiction under the laws under which it is organized;

27                   [(ii) (2) for a company, in good standing and authorized or  
28 registered to do business in the State;

29                   [(iii) (3) current in the payment of all tax obligations to the State  
30 or any unit or subdivision of the State; and

31                   [(iv) (4) not in default under the terms of any contract with,  
32 indebtedness to, or grant from the State or any unit or subdivision of the State.

1           **[(4)] (E)**       To be eligible for [the tax credit described in paragraph (2) of this  
2 subsection] **A GRANT UNDER THIS SUBTITLE**, the qualified investor may not, after  
3 making the proposed investment, own or control more than 25% of the equity interests in  
4 the qualified Maryland biotechnology company in which the investment is to be made.

5 5–2703.

6           **[(c)] (A)**       **[(1)]** At least 30 days prior to making an investment in a qualified  
7 Maryland biotechnology company for which a qualified investor would be eligible for an  
8 initial [tax credit] **GRANT ELIGIBILITY** certificate under [subsection (b) of this section]  
9 **THIS SUBTITLE**, the qualified investor shall submit an application to the Department.

10           **[(2)] (B)**       The application shall evidence that the qualified Maryland  
11 biotechnology company is:

12                       **[(i)] (1)**       in good standing;

13                       **[(ii)] (2)**       current in the payment of all tax obligations to the State  
14 or any unit or subdivision of the State; and

15                       **[(iii)] (3)**       not in default under the terms of any contract with,  
16 indebtedness to, or grant from the State or any unit or subdivision of the State.

17           **[(3)] (C)**       **[(i)] (1)**       Subject to [subparagraph (ii) of this paragraph]  
18 **PARAGRAPH (2) OF THIS SUBSECTION**, the Department shall:

19                               **[1.] (I)**       approve all applications that qualify for [credits] **A**  
20 **GRANT** under this [section] **SUBTITLE** on a first–come, first–served basis; and

21                               **[2.] (II)**       within 30 days of receipt of an application, [certify  
22 the amount of any approved tax credits] **ISSUE AN INITIAL GRANT ELIGIBILITY**  
23 **CERTIFICATE** to a qualified investor.

24                       **[(ii)] (2)**       The Department may not issue any [tax credit certificates]  
25 **GRANTS** under this [section] **SUBTITLE** after June 30, 2028.

26           **[(4)] (D)**       **[(i)] (1)**       After the date on which the Department issues an  
27 initial [tax credit] **GRANT ELIGIBILITY** certificate under this [section] **SUBTITLE**, a  
28 qualified investor shall have 30 calendar days to make an investment in a qualified  
29 Maryland biotechnology company under this [section] **SUBTITLE**.

30                       **[(ii)] (2)**       Within 10 calendar days after the date on which a  
31 qualified investor makes the investment, the qualified investor shall provide to the  
32 Department notice and proof of the making of the investment, including:

1 [1.] (I) the date of the investment;

2 [2.] (II) the amount invested;

3 [3.] (III) proof of the receipt of the invested funds by the  
4 qualified Maryland biotechnology company;

5 [4.] (IV) a complete description of the nature of the  
6 ownership interest in the equity of the qualified Maryland biotechnology company acquired  
7 in consideration of the investment; and

8 [5.] (V) any reasonable supporting documentation the  
9 Department may require.

10 [(iii)] (3) If a qualified investor does not provide the notice and proof  
11 of the making of the investment required in [subparagraph (ii) of this paragraph]  
12 **PARAGRAPH (2) OF THIS SUBSECTION** within 40 calendar days after the date on which  
13 the Department issues an initial [tax credit] **GRANT ELIGIBILITY** certificate under this  
14 [section] **SUBTITLE**:

15 [1.] (I) the Department shall rescind the initial [tax credit]  
16 **GRANT ELIGIBILITY** certificate; and

17 [2.] (II) the [credit] **GRANT** amount allocated to the  
18 rescinded certificate shall [revert to the Maryland Biotechnology Investment Tax Credit  
19 Reserve Fund and shall] be available in the applicable fiscal year for allocation by the  
20 Department to other initial [tax credit] **GRANT ELIGIBILITY** certificates in accordance  
21 with the provisions of this [section] **SUBTITLE**.

22 5-2704.

23 [(d)] (A) [(1) The tax credit] **SUBJECT TO SUBSECTION (B) OF THIS**  
24 **SECTION, THE GRANT** allowed in an initial [tax credit] **GRANT ELIGIBILITY** certificate  
25 issued under this [section] **SUBTITLE** is:

26 [(i)] (1) except as provided in item [(ii) of this paragraph] (2) **OF**  
27 **THIS SUBSECTION**, 33% of the investment in a qualified Maryland biotechnology company,  
28 not to exceed \$250,000; or

29 [(ii)] (2) 50% of the investment in the qualified Maryland  
30 biotechnology company, not to exceed \$500,000, if a qualified Maryland biotechnology  
31 company:

32 [1.] (I) is located in Allegany County, Dorchester County,  
33 Garrett County, or Somerset County; or

1                   [2.] (II)       is located in a Regional Institution Strategic  
2 Enterprise zone that is designated under [Title 5,] Subtitle 14 of [the Economic  
3 Development Article] **THIS TITLE**, is based on technology that was developed at a qualified  
4 institution within that zone, and has been in active business not longer than 7 years.

5                   [(2)] (B)       During any fiscal year, the Secretary may not certify eligibility  
6 for [tax credits] **GRANTS** for investments in a single qualified Maryland biotechnology  
7 company that in the aggregate exceed 10% of the total appropriations to the [Maryland  
8 Biotechnology Investment Tax Credit Reserve] Fund for that fiscal year.

9                   [(3)    ] If the tax credit allowed under this section in any taxable year exceeds  
10 the total tax otherwise payable by the qualified investor for that taxable year, the qualified  
11 investor may claim a refund in the amount of the excess.

12               (e)    (1)    In this subsection, “Reserve Fund” means the Maryland Biotechnology  
13 Investment Tax Credit Reserve Fund established under paragraph (2) of this subsection.

14               (2)    (i)    There is a Biotechnology Investment Tax Credit Reserve Fund  
15 which is a special continuing, nonlapsing fund that is not subject to § 7–302 of the State  
16 Finance and Procurement Article.

17               (ii)   The money in the Fund shall be invested and reinvested by the  
18 Treasurer, and interest and earnings shall be credited to the General Fund.]

19               [(3)] (C)    [(i)] (1)    Subject to the provisions of this [subsection]  
20 **SECTION**, the Secretary shall issue an initial [tax credit] **GRANT ELIGIBILITY** certificate  
21 for each approved investment in a qualified Maryland biotechnology company eligible for a  
22 [tax credit] **GRANT**.

23               [(ii)] (2)    An initial [tax credit] **GRANT ELIGIBILITY** certificate  
24 issued under this [subsection] **SECTION** shall state the maximum **GRANT** amount [of tax  
25 credit] for which the qualified investor is eligible.

26               [(iii)] (3)    [1.] (I)       Except as otherwise provided in this  
27 [subparagraph] **PARAGRAPH**, for any fiscal year, the Secretary may not issue initial [tax  
28 credit] **GRANT ELIGIBILITY** certificates [for credit amounts] in the aggregate totaling  
29 more than the amount appropriated to the [Reserve] Fund for that fiscal year in the State  
30 budget as approved by the General Assembly.

31               [2.] (II)       If the aggregate [credit] **GRANT** amounts under  
32 initial [tax credit] **GRANT ELIGIBILITY** certificates issued in a fiscal year total less than  
33 the amount appropriated to the [Reserve] Fund for that fiscal year, any excess amount  
34 shall remain in the [Reserve] Fund and may be issued under initial [tax credit] **GRANT**  
35 **ELIGIBILITY** certificates for the next fiscal year.

1                   **[3.] (III)** For any fiscal year, if funds are transferred from the  
2 **[Reserve] Fund** under the authority of any provision of law **[other than under paragraph**  
3 **(4) of this subsection]**, the maximum **[credit] GRANT** amounts in the aggregate for which  
4 the Secretary may issue initial **[tax credit] GRANT ELIGIBILITY** certificates shall be  
5 reduced by the amount transferred.

6                   **[(iv)]** For each fiscal year, the Governor shall include in the budget bill  
7 an appropriation to the Reserve Fund.

8                   **(v)** Notwithstanding the provisions of § 7–213 of the State Finance  
9 and Procurement Article, the Governor may not reduce an appropriation to the Reserve  
10 Fund in the State budget as approved by the General Assembly.]

11                   **[(vi)] (D) (1)** Based on the actual amount of an investment made  
12 by a qualified investor **AS DOCUMENTED IN ACCORDANCE WITH § 5–2703(D) OF THIS**  
13 **SUBTITLE**, the Secretary shall **[issue a final tax credit certificate] AWARD A GRANT** to the  
14 qualified investor.

15                   **(2) THE DEPARTMENT SHALL DISBURSE THE GRANT TO THE**  
16 **QUALIFIED INVESTOR WITHIN 90 DAYS OF DETERMINING THAT THE INVESTMENT**  
17 **HAS BEEN MADE.**

18                   **[(4) (i)]** Except as provided in this paragraph, money appropriated to the  
19 Reserve Fund shall remain in the Fund.

20                   **(ii) 1.** Within 15 days after the end of each calendar quarter, the  
21 Department shall notify the Comptroller as to each final credit certificate issued during the  
22 quarter:

23                   A. the maximum credit amount stated in the initial tax credit  
24 certificate for the investment; and

25                   B. the final certified credit amount for the investment.

26                   2. On notification that an investment has been certified, the  
27 Comptroller shall transfer an amount equal to the credit amount stated in the initial tax  
28 credit certificate for the investment from the Reserve Fund to the General Fund.]

29 **5–2705.**

30                   **(A) THERE IS A BIOTECHNOLOGY INVESTMENT INCENTIVE GRANT**  
31 **PROGRAM FUND.**

32                   **(B) THE DEPARTMENT SHALL ADMINISTER THE FUND.**

1           **(C) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
2 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

3           **(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,**  
4 **AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

5           **(D) THE FUND CONSISTS OF:**

6                   **(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

7                   **(2) ANY GRANT AMOUNT THAT IS REVOKED UNDER THIS SUBTITLE;**  
8 **AND**

9                   **(3) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
10 **THE BENEFIT OF THE FUND.**

11           **(E) THE FUND MAY BE USED ONLY FOR GRANTS PROVIDED UNDER THIS**  
12 **SUBTITLE.**

13           **(F) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**  
14 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

15                   **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**  
16 **THE GENERAL FUND OF THE STATE.**

17           **(G) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE**  
18 **WITH THE STATE BUDGET.**

19           **(H) (1) FOR EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE**  
20 **ANNUAL BUDGET BILL AN APPROPRIATION OF \$10,000,000 TO THE FUND.**

21                   **(2) NOTWITHSTANDING THE PROVISIONS OF § 7-213 OF THE STATE**  
22 **FINANCE AND PROCUREMENT ARTICLE, THE GOVERNOR MAY NOT REDUCE AN**  
23 **APPROPRIATION TO THE FUND IN THE STATE BUDGET AS APPROVED BY THE**  
24 **GENERAL ASSEMBLY.**

25 5-2706.

26           **[(f)] (A) [(1)] The [credit claimed under this section] GRANT PROVIDED**  
27 **UNDER THIS SUBTITLE shall be recaptured as provided in [paragraph (2) of this**  
28 **subsection] SUBSECTION (B) OF THIS SECTION if, within 2 years [from the close of the**  
29 **taxable year for which the credit is claimed] AFTER THE GRANT WAS DISBURSED TO THE**  
30 **QUALIFIED INVESTOR:**

1                    [(i) (1)        the qualified investor sells, transfers, or otherwise  
2 disposes of the ownership interest in the qualified Maryland biotechnology company that  
3 gave rise to the [credit] GRANT; or

4                    [(ii) (2)        the qualified Maryland biotechnology company that gave  
5 rise to the [credit] GRANT ceases operating as an active business with its headquarters  
6 and base of operations in the State.

7                    [(2) (B)        The amount required to be recaptured under this [subsection]  
8 SECTION is the product of multiplying:

9                    [(i) (1)        the total amount of the [credit claimed] DISBURSED  
10 GRANT or, in the case of an event described in [paragraph (1)(i) of this subsection]  
11 SUBSECTION (A)(1) OF THIS SECTION, the portion of the [credit] DISBURSED GRANT  
12 attributable to the ownership interest disposed of; and

13                    [(ii) (2)        [1.] (I)        100%, if the event requiring recapture of the  
14 [credit occurs during the taxable year for which the tax credit is claimed] DISBURSED  
15 GRANT OCCURS IN THE SAME FISCAL YEAR THAT THE GRANT WAS DISBURSED;

16                    [2.] (II)        67%, if the event requiring recapture of the [credit  
17 occurs during the first year after the close of the taxable year for which the tax credit is  
18 claimed] DISBURSED GRANT OCCURS IN THE FISCAL YEAR AFTER THE GRANT WAS  
19 DISBURSED; or

20                    [3.] (III)        33%, if the event requiring recapture of the [credit  
21 occurs more than 1 year but not more than 2 years after the close of the taxable year for  
22 which the tax credit is claimed] DISBURSED GRANT OCCURS IN THE SECOND FISCAL  
23 YEAR AFTER THE GRANT WAS DISBURSED.

24                    (C)    IF A COMPANY RECEIVES AN INVESTMENT AND FAILS TO SATISFY THE  
25 REQUIREMENTS FOR A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY WITHIN  
26 2 MONTHS OF THE RECEIPT OF THE INVESTMENT, THE DEPARTMENT SHALL REVOKE  
27 100% OF THE DISBURSED GRANT AMOUNT.

28                    [(3) (D)        (1)    The qualified investor that [claimed the credit] HAS A  
29 DISBURSED GRANT THAT IS RECAPTURED UNDER THIS SECTION shall pay the  
30 RECAPTURED amount to [be recaptured as determined under paragraph (2) of this  
31 subsection as taxes payable to the State for the taxable year in which the event requiring  
32 recapture of the credit occurs] THE DEPARTMENT BY THE DATE SET BY THE  
33 DEPARTMENT.

1           **(2) THE DEPARTMENT SHALL DEPOSIT THE RECAPTURED AMOUNT**  
2 **INTO THE FUND.**

3 5–2707.

4           **[(g)] (A) [(1)]** The Department may revoke its initial [or final] **ELIGIBILITY**  
5 **certification OR AWARD** of an approved [credit] **GRANT** under this [section] **SUBTITLE** if  
6 any representation in connection with the application for the certification is determined by  
7 the Department to have been false when made.

8           **[(2)] (B)** The revocation may be in full or in part as the Department may  
9 determine and, subject to [paragraph (3) of this subsection] **SUBSECTION (C) OF THIS**  
10 **SECTION**, shall be communicated to the qualified investor [and the Comptroller].

11           **[(3)] (C)** The qualified investor shall have an opportunity to appeal any  
12 revocation to the Department [prior to notification of the Comptroller].

13           **[(4)]** The Comptroller may make an assessment against the qualified  
14 investor to recapture any amount of tax credit that the qualified investor has already  
15 claimed.]

16 5–2708.

17           **[(h)]** In accordance with § 2.5–109 of [the Economic Development Article] **THIS**  
18 **ARTICLE**, the Department shall report on the initial [tax credit] **ELIGIBILITY GRANT**  
19 certificates awarded for the calendar year and the qualified Maryland biotechnology  
20 companies that received an investment for which an initial [tax credit] **ELIGIBILITY**  
21 **GRANT** certificate was awarded.

22 5–2709.

23           **[(i)]** The Department [and the Comptroller jointly] shall adopt regulations to carry  
24 out the provisions of this section and to specify criteria and procedures for application for,  
25 approval of, and monitoring continuing eligibility for the [tax credit under this section]  
26 **PROGRAM.**

27 6–1001.

28           (a) In this subtitle the following words have the meanings indicated.

29           (b) “Level 1 opportunity zone enhancement” means an enhanced tax credit **OR**  
30 **GRANT** under the Program for which a qualified opportunity zone business or qualified  
31 opportunity fund is eligible if:

32           (1) the following information is provided to the Department:

1 (i) the date of the qualified opportunity fund's investment in the  
2 qualified opportunity zone business and the amount of the investment;

3 (ii) the total project or business investment, including any leverage;

4 (iii) the address and census tract of the qualified opportunity zone  
5 business and the qualified opportunity fund;

6 (iv) the North American Industrial Classification System Code for  
7 the qualified opportunity zone business;

8 (v) an impact report, including both qualitative and quantitative  
9 data on the investment and, as applicable, its progress toward:

10 1. creating and retaining jobs;

11 2. promoting entrepreneurship, including among  
12 women- and minority-owned businesses;

13 3. providing affordable housing;

14 4. creating access to healthy food;

15 5. promoting environmental sustainability; and

16 6. benefiting the communities in the opportunity zone in a  
17 manner not otherwise specified in this item; and

18 (vi) unless an applicant provides an affidavit to the Department  
19 along with the application that the qualified opportunity zone business property is  
20 unoccupied, will be demolished within 1 year of the date of the application, and will remain  
21 unoccupied until the demolition is complete, with respect to qualified opportunity zone  
22 business property that is an affected property required to be registered with the  
23 Department of the Environment under § 6-811 of the Environment Article:

24 1. proof of registration with the Department of the  
25 Environment;

26 2. if the property contains at least one residential rental unit,  
27 proof of lead inspections conducted in accordance with §§ 6-815 and 6-819 of the  
28 Environment Article;

29 3. if the property is an owner-occupied residential rental  
30 property;

1                   A.     proof that visual exterior or interior painted surfaces are  
2 free of chipping, flaking, or peeling lead-based paint; and

3                   B.     a copy of passing test results for lead-contaminated dust;  
4 and

5                   4.     verification that, for the substantial improvement of the  
6 property performed in accordance with § 1400Z-2(d)(2)(D)(ii) of the Internal Revenue Code,  
7 replacement doors and windows are free of lead-based paint; and

8                   (vii) any other information requested by the Department that meets  
9 the transparency goals of the Program; and

10                 (2)     for a qualified opportunity zone business located in an opportunity zone  
11 in a county with a minimum wage that exceeds the State minimum wage, the qualified  
12 opportunity zone business pays to each employee wages that exceed the greater of:

13                   (i)     120% of the State minimum wage; or

14                   (ii)    120% of the county minimum wage.

15                 (c)     “Level 2 opportunity zone enhancement” means an enhanced tax credit **OR**  
16 **GRANT** under the Program for which a qualified opportunity zone business or qualified  
17 opportunity fund is eligible if:

18                   (1)     the requirements for a Level 1 opportunity zone enhancement are met;

19                   (2)     (i)     accountability to residents of the communities in the opportunity  
20 zone is maintained through their representation on any governing board or advisory board  
21 of the qualified opportunity zone business; or

22                   (ii)    a community benefits agreement is negotiated and agreed to by  
23 community groups or strategic industry partnerships, as defined under § 11-701 of the  
24 Labor and Employment Article, in the opportunity zone and the qualified opportunity fund  
25 that specifies a range of community benefits that the fund agrees to provide as part of the  
26 development project, including workforce development or local hiring requirements; and

27                   (3)     (i)     for a qualified opportunity zone business located entirely within  
28 an opportunity zone in a municipal corporation, the municipal corporation, by resolution or  
29 by letter, delivered to the Department by the municipal corporation’s authorized designee,  
30 approves the provision of the enhanced tax credits **OR GRANTS** under the Program within  
31 the municipal corporation; or

32                   (ii)    for a qualified opportunity zone business in an opportunity zone  
33 that is not located entirely within a municipal corporation, the county, by resolution or by  
34 letter, delivered to the Department by the county’s authorized designee, approves the  
35 provision of the enhanced tax credits **OR GRANTS** under the Program within the county.

1 (d) “Opportunity zone” means an area that has been designated as a qualified  
2 opportunity zone in the State under § 1400Z–1 of the Internal Revenue Code.

3 (e) “Program” means the Opportunity Zone Enhancement Program in the  
4 Department established under § 6–1002 of this subtitle that allows enhanced tax credits  
5 **OR GRANTS** under:

6 (1) § 6–304 of this title (Job Creation);

7 (2) § 6–403 of this title (One Maryland economic development);

8 (3) § 10–702 of the Tax – General Article (wages paid in an enterprise  
9 zone);

10 (4) [§ 10–725 of the Tax – General Article] **TITLE 5, SUBTITLE 27 OF**  
11 **THIS ARTICLE** (biotechnology investment incentive);

12 (5) § 10–733 of the Tax – General Article (cybersecurity investment  
13 incentive); and

14 (6) § 10–741 of the Tax – General Article (More Jobs for Marylanders).

15 6–1006.

16 (a) In this section, “investment”, “qualified investor”, and “qualified Maryland  
17 biotechnology company” have the meanings stated in [§ 10–725 of the Tax – General  
18 Article] **§ 5–2701 OF THIS ARTICLE**.

19 (b) For a qualified opportunity fund that is a qualified investor in a qualified  
20 Maryland biotechnology company under [§ 10–725 of the Tax – General Article] **TITLE 5,**  
21 **SUBTITLE 27 OF THIS ARTICLE**, if the qualified Maryland biotechnology company, on or  
22 after March 1, 2018, is newly established in or expands into an opportunity zone:

23 (1) the Level 1 opportunity zone enhancement is 65% of the investment in  
24 a qualified Maryland biotechnology company in any county, not to exceed \$575,000; and

25 (2) the Level 2 opportunity zone enhancement is 75% of the investment in  
26 the qualified Maryland biotechnology company in any county, not to exceed \$750,000.

27 (c) The enhanced [tax credit] **GRANT** percentages and maximums authorized  
28 under subsection (b) of this section are in substitution for and not in addition to the  
29 percentages and maximums under [§ 10–725(d) of the Tax – General Article] **TITLE 5,**  
30 **SUBTITLE 27 OF THIS ARTICLE**.

1 10-207.

2 (a) To the extent included in federal adjusted gross income, the amounts under  
3 this section are subtracted from the federal adjusted gross income of a resident to determine  
4 Maryland adjusted gross income.

5 **(RR) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES**  
6 **THE AMOUNT OF A GRANT RECEIVED FROM THE BIOTECHNOLOGY INVESTMENT**  
7 **INCENTIVE GRANT PROGRAM UNDER TITLE 5, SUBTITLE 27 OF THE ECONOMIC**  
8 **DEVELOPMENT ARTICLE.**

9 10-307.

10 (a) To the extent included in federal taxable income, the amounts under this  
11 section are subtracted from the federal taxable income of a corporation to determine  
12 Maryland modified income.

13 **(H) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES**  
14 **THE AMOUNT OF A GRANT RECEIVED FROM THE BIOTECHNOLOGY INVESTMENT**  
15 **INCENTIVE GRANT PROGRAM UNDER TITLE 5, SUBTITLE 27 OF THE ECONOMIC**  
16 **DEVELOPMENT ARTICLE.**

17 10-725.

18 [(j) If a company receives an investment under subsection (a)(7)(ii) of this section  
19 and fails to satisfy the requirements for a qualified Maryland biotechnology company  
20 within 2 months, the Department shall revoke any final tax credit certificates that have  
21 been issued and recapture any tax credits already claimed by the qualified investor.]

22 10-804.

23 (j) (1) Except as otherwise provided in this subsection, a taxpayer claiming  
24 any of the following tax credits shall submit a claim for the credit by electronic means as  
25 required by the Comptroller by regulation:

26 (i) the Job Creation Tax Credit, as provided under Title 6, Subtitle  
27 2 of the Economic Development Article;

28 (ii) the One Maryland Tax Credit, as provided under Title 6, Subtitle  
29 4 of the Economic Development Article;

30 (iii) [the Biotechnology Investment Incentive Tax Credit, as provided  
31 under § 10-725 of this title;

1                           (iv)] the Enterprise Zone Income Tax Credit, as provided under §  
2 10–702 of this title; and

3                           [(v)] (IV) any other tax credit specified by the Comptroller through  
4 regulation.

5           SECTION 3. AND BE IT FURTHER ENACTED, That:

6           (a) The provisions of § 10–725 of the Tax – General Article, as that section was in  
7 effect before the effective date of this Act, shall continue to apply to tax credit certificates  
8 issued under that section before the effective date of this Act.

9           (b) Title 5, Subtitle 27 of the Economic Development Article, as enacted by  
10 Sections 1 and 2 of this Act, shall apply to certificates issued on or after the effective date  
11 of this Act.

12           SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
13 1, 2026.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.