

# SENATE BILL 247

Q3, C8

6lr1292  
CF 6lr1293

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By: **Senator Beidle**

Introduced and read first time: January 16, 2026

Assigned to: Budget and Taxation

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## A BILL ENTITLED

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

23 Section 2.5–109(a), 6–1001(b), (c), and (e), and 6–1006

24 Annotated Code of Maryland

25 (2024 Replacement Volume and 2025 Supplement)

26 BY repealing and reenacting, with amendments,

27 Article – Economic Development

28 Section 5–2701 through 5–2704 and 5–2706 through 5–2709

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)  
(As enacted by Section 1 of this Act)

BY adding to  
Article – Economic Development  
Section 5–2705  
Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,  
Article – Economic Development  
Section 6–1001(a) and (d)  
Annotated Code of Maryland  
(2024 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, without amendments,  
Article – Tax – General  
Section 10–207(a) and 10–307(a)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2025 Supplement)

BY adding to  
Article – Tax – General  
Section 10–207(rr) and 10–307(h)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2025 Supplement)

BY repealing  
Article – Tax – General  
Section 10–725(j)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2025 Supplement)

BY repealing and reenacting, with amendments,  
Article – Tax – General  
Section 10–804(j)(1)  
Annotated Code of Maryland  
(2022 Replacement Volume and 2025 Supplement)

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

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

**Article – Economic Development**

2.5–109.

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

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

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

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

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

(i) the Film Production Activity Tax Credit;

(ii) the Job Creation Tax Credit;

(iii) the One Maryland Economic Development Tax Credit;

(iv) [the Biotechnology Investment Incentive Tax Credit;

(v)] the Research and Development Tax Credit;

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

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

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

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

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

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

1                    [(xii)] **(XI)** any other tax credit program that is administered by the  
2 Department under:

3                    1. Title 6 of this article; or

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

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

6                    Subtitle 27. Biotechnology Investment Incentive Grant Program.

7 5–2701.

8                    (a) [(1)] In this [section] **SUBTITLE** the following words have the meanings  
9 indicated.

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

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

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

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

20                    (5) **(D)** “**FUND**” **MEANS THE BIOTECHNOLOGY INVESTMENT**  
21 **INCENTIVE GRANT PROGRAM FUND.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5-2702.

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

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

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

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

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

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

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

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

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

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

5-2703.

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

5                       [(2)] (B)       The application shall evidence that the qualified Maryland  
6 biotechnology company is:

7                               [(i)] (1)       in good standing;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5–2704.

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

1 [(iv) For each fiscal year, the Governor shall include in the budget bill  
2 an appropriation to the Reserve Fund.

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

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

10 **(2) THE DEPARTMENT SHALL DISBURSE THE GRANT TO THE**  
11 **QUALIFIED INVESTOR WITHIN 90 DAYS OF DETERMINING THAT THE INVESTMENT**  
12 **HAS BEEN MADE.**

13 [(4) (i) Except as provided in this paragraph, money appropriated to the  
14 Reserve Fund shall remain in the Fund.

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

18 A. the maximum credit amount stated in the initial tax credit  
19 certificate for the investment; and

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

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

24 **5–2705.**

25 **(A) THERE IS A BIOTECHNOLOGY INVESTMENT INCENTIVE GRANT**  
26 **PROGRAM FUND.**

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

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

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

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

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

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

**AND**

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

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

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

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

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

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

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

**5-2706.**

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

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

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

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

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

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

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

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

21                    **(C)**        **IF A COMPANY RECEIVES AN INVESTMENT AND FAILS TO SATISFY THE**  
22 **REQUIREMENTS FOR A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY WITHIN**  
23 **2 MONTHS OF THE RECEIPT OF THE INVESTMENT, THE DEPARTMENT SHALL REVOKE**  
24 **100% OF THE DISBURSED GRANT AMOUNT.**

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

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

33 5-2707.

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

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

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

10                      [(4)] The Comptroller may make an assessment against the qualified  
11 investor to recapture any amount of tax credit that the qualified investor has already  
12 claimed.]

13 5–2708.

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

19 5–2709.

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

24 6–1001.

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

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

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

30                                      (i) the date of the qualified opportunity fund’s investment in the  
31 qualified opportunity zone business and the amount of the investment;

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

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

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

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

1. creating and retaining jobs;

2. promoting entrepreneurship, including among women– and minority–owned businesses;

3. providing affordable housing;

4. creating access to healthy food;

5. promoting environmental sustainability; and

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

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

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

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

3. if the property is an owner–occupied residential rental property:

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

B. a copy of passing test results for lead–contaminated dust; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6–1006.

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

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

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

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

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

#### **Article – Tax – General**

10–207.



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

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

10–307.

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

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

10–725.

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

10–804.

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

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

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

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

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

1                                ~~[(v)] (IV)~~      any other tax credit specified by the Comptroller through  
2 regulation.

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

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

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

10               SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
11 1, 2026.