



TESTIMONY PRESENTED TO THE SENATE BUDGET AND TAXATION COMMITTEE

SENATE 160 – ECONOMIC DEVELOPMENT – CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT PROGRAM – EXPANSION AND EXTENSION

JANUARY 27, 2021

POSITION: SUPPORT

The Maryland Technology Development Corporation (TEDCO) was created by the Maryland General Assembly in 1998 and is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great Maryland based technology companies. Senate Bill 160 would expand the Department of Commerce's Cybersecurity Investment Incentive Tax Credit Program by broadening the types of companies eligible for investment under the credit to include technology companies that are engaged in research, development, or commercialization of innovative and proprietary technology.

For Maryland to compete in a modern economy, its economic development tools must be nimble and responsive to the evolving needs of the business community. Senate Bill 160 will enable the Department of Commerce, in cooperation with the Maryland Economic Development Commission and the Department of Labor, to evaluate the potential employment and economic growth of Maryland's technology sectors and to target this resource where it may have the most impact. The changes to the existing tax credit would compliment the resources deployed by TEDCO and other technology-based economic development efforts in Maryland.

The idea of tax credits for technology-based investors is not unique. Many states across the country have similar tax credit programs, many with great success. There are several challenges associated with creating and growing a successful technology company. Among those are the challenges associated with finding financing to grow companies. An expanded Cybersecurity Investment Incentive Tax Credit program will help to encourage additional investments in our growing companies, which will enhance our overall state economic development efforts. **For these reasons, TEDCO urges a favorable report on Senate Bill 160.**

Troy LeMaile-Stovall
CEO/Executive Director