



TESTIMONY PRESENTED TO THE SENATE BUDGET & TAXATION COMMITTEE

SENATE BILL 19– Economic Development – Biotechnology Investment Incentive Tax Credit Program – Alterations

Sponsor: Department of Commerce

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**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 19, which reduces the percentage of investment eligible for the Biotechnology Investment Incentive Tax Credit (BIITC) from 50% to 33%, and reduces the amount of the annual appropriation that one company may receive to allow more biotechnology companies to benefit from the tax credit in a given year. In addition, the bill caps lifetime participation for a total of \$7 million of tax credits paid to investors per company.

BIITC is a popular tax credit and demand for the credit has exceeded available funding nearly every year since it was enacted. An evaluation found that a relatively few biotechnology companies disproportionately benefited from the tax credit. In fact, from 2009 to 2019, 50% of funding for the credit benefited only ten companies, which represented only 9% of all companies that participated in the program during that time. The changes in the bill will allow for more companies to benefit from the BIITC, and the \$7 million lifetime cap per company will ensure that the incentive is going to early stage companies.

In the GBC report *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, eight core pillars were identified for a competitive business environment. Senate Bill 19 is consistent with one of these pillars:

Strategic and effective state investments in business growth. The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

Finally, Senate Bill 19 is consistent with the Greater Baltimore Committee’s [2021 Legislative Priorities](#) which call for maintaining state investment in Maryland’s most innovative industries. The bill makes the tax credit more competitive by allowing more companies, particularly early stage companies, to participate in the program and allow more flexibility for biotechnology companies.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 19.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

111 South Calvert Street • Suite 1700 • Baltimore, Maryland • 21202-6180

(410) 727-2820 • www.gbc.org