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**In Support of SB 19—Biotechnology Investment Incentive Tax Credit Program—Alternations**

January 26, 2021

Mr. Chairman and members of this Committee. I offer my testimony in support of SB 19 to alter the extraordinarily effective Biotech Tax Credit program. I proudly recall that more than 15 years ago I conceived of this program and convinced my State Delegate (now Senator) Brian Feldman to introduce it. Since then, directly because of this incentive, over one hundred Maryland biotech companies have survived the “valley of death” faced by start-ups and prospered. Our own company—20/20 GeneSystems, Inc. or Rockville—which graduated from the tax credit program several years ago saw about 700% revenue growth last year, mostly due to Covid testing, and doubled in size to 25 employees. (According to *Inc.* magazine that would make us one of the 1,000 fastest growing companies in America.)

Simply put, the changes to the program offered by the Administration would “spread the peanut butter thinner” thereby impacting more companies. Year after year demand for the credits by investors substantially exceeds supply.

It should be noted that the basis for the program was not limited to economic development but also included advancing new disease cures. For that reason, I would respectfully urge that the larger 50% credit be extended to investors in companies primarily engaged in the development of treatments to rare or orphan diseases in addition to companies located in the four rural counties. Federal statutes and regulations provide clear definitions of orphan drugs that can be incorporated into this statute. See [Designating an Orphan Product: Drugs and Biological Products | FDA](#)

Thank you for considering my testimony.

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