



MARYLAND TECH COUNCIL

TO: The Honorable Anne R. Kaiser, Chair
Members, House Ways and Means Committee
The Maryland Department of Commerce

FROM: Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman

DATE: March 25, 2021

RE: **SUPPORT** – Senate Bill 19 – *Economic Development – Biotechnology Investment Incentive Tax Credit Program – Alterations*

The Maryland Tech Council (MTC) is a collaborative community, actively engaged in building stronger life science and technology companies by supporting the efforts of our individual members who are saving and improving lives through innovation. We support our member companies who are driving innovation through advocacy, education, workforce development, cost savings programs, and connecting entrepreneurial minds. The valuable resources we provide to our members help them reach their full potential making Maryland a global leader in the life sciences and technology industries. On behalf of MTC, we submit this letter of **support** for Senate Bill 19.

The Biotechnology Investment Incentive Tax Credit (BIITC) is intended to foster the growth of Maryland's biotechnology industry by incentivizing investment in early-stage companies. Senate Bill 19 proposes alterations to the BIITC in order to improve the effectiveness of the program. To ensure there is no ambiguity, the legislation defines in law the policy goals and objectives of the tax credit. It states: "THE BIOTECHNOLOGY INVESTMENT INCENTIVE TAX CREDIT IS INTENDED 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".

To better achieve those goals and objectives, the legislation reduces the percentage of investment eligible for the tax credit from 50% to 33%, and from 75% to 50% in Allegany, Dorchester, Garrett, and Somerset counties to leverage additional investor funding. It reduces the annual benefit for one company from 15% to 10% of the annual appropriation to increase the number of companies who may have access to the tax credits. It also caps lifetime participation to a total of \$7 million of tax credits paid to investors per company.

The proposed changes will expand access to more companies to meet the demand that has repeatedly exceeded available funding for the BIITC and will enhance the biotechnology industry presence in the State. MTC requests a favorable report.

For more information call:

Pamela Metz Kasemeyer
J. Steven Wise
Danna L. Kauffman
410-244-7000