



**Senate Bill 721 -- *Income Tax – Credit for Federal Security Clearance Costs – Alterations*  
House Ways and Means Committee  
March 30, 2023  
Support**

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 721 -- *Income Tax – Credit for Federal Security Clearance Costs – Alterations*.

Senate Bill 721 extends the termination date to January 1, 2028 for the Employer Security Clearance Costs Tax Credit for companies with 500 or fewer employees. This credit is utilized for costs incurred by employers to obtain federal security clearances for employees, first-year leasing costs, and construction or renovation of sensitive compartmented information facilities (SCIFs).

This tax credit is an important component to the success of federal government contractors, one of Maryland's most important and innovative industries. The credit provides entrepreneurial start-ups, including small companies, with a financial incentive to grow and create jobs in Maryland. Companies in Maryland that do business with the federal government face numerous barriers to entry, including high costs for security clearances and SCIFs. This tax credit helps defray those costs while demonstrating Maryland's commitment to supporting and growing businesses in this sector.

This credit is also consistent with a focus on attracting and retaining military veterans in Maryland. This has been a longtime MCCC priority, most notably through efforts of the Montgomery County Chamber Community Foundation's (MCCCF) Veterans Institute for Procurement (VIP) program. The VIP program is a free training program for Service-Disabled Veteran-Owned Small Businesses and Maryland Veteran-Owned Small Businesses that provides company leaders with comprehensive instruction on how to accelerate their federal government contracting business skills. Most of the executives who graduate from the VIP program are retired military veterans who reside in Maryland. Extending this tax credit provides a strong and effective incentive for these types of entrepreneurial retired veterans to remain in Maryland.

**For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 721 and respectfully requests a favorable report.**

*The Montgomery County Chamber of Commerce, on behalf of our nearly 500 members, advocates for growth in business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and a proud Montgomery County Green Certified Business.*

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