



**HB936 Income Tax - Credit for Cybersecurity Measures  
Undertaken by Small Businesses  
House Ways and Means Committee  
March 2, 2023**

**Position:** Favorable

**Background:** HB936 would establish a State income tax credit for small businesses that undertake and pay for certain cybersecurity measures.

**Comments:** The Maryland Retailers Association (MRA) supports HB936, which would incentivize small businesses to implement cybersecurity measures and offset the associated costs. Business operations have long depended on technology, and the “stay at home” period in 2020 resulted in the acceleration of many businesses and services being made available online. This quick transition and the continual threat of phishing schemes, which prey upon an individual’s login or security information to gain access to data, have made it imperative for businesses to utilize security measures to protect their business and customer data. The cybersecurity assessments and ongoing security measures necessary to protect this data can be costly, and the tax credit proposed in HB936 can make an enormous difference for small businesses that want to better protect their employees and customers.

This proposal would incentivize small businesses to increase their cybersecurity and offset the cost of protecting Marylanders’ data. For this reason, MRA would urge a favorable report on HB936. Thank you for your consideration.