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THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB0033- Economic Development - Entrepreneurial Leave Tax Credit Program

Thank you, Chair Atterbary, Vice Chair Wilkins, and members of the Ways and Means Committee,

I am thrilled to be here to testify in favor of my legislation, HB33, to incentivize Maryland businesses to provide entrepreneurial leave for their employees. It is my hope that innovative policies like this can foster a more inclusive economic environment that encourages the entrepreneurial spirit of Marylanders as much as possible and breaks down barriers innovators might face when trying to launch their own businesses.

What this bill does is set up a tax credit policy within the Department of Commerce to incentivize businesses to offer an entrepreneurial leave policy for their employees. In this bill, the kind of leave that is eligible for the tax credit is at least six months of unpaid leave for an employee to start a new business or expand an existing one. The credit is provided when a participating business has an employee who takes the leave. The total leave that the Department is able to allow is capped at \$250,000 a year but otherwise, current language allows Commerce discretion on the amount they can award per employee that takes the leave.

The intention of this bill is to make it easier for Marylanders who are inclined to strike out on their own to be able to make the jump, with the assurance that they have 6 months to test their idea, after which they can return to their job. Meanwhile, retaining their company's health insurance and other benefits, budding entrepreneurs have one less cause for concern as they look to set up a brand new business or expand an existing side hustle. Removing these barriers makes Maryland an easier place to innovate and incentivizes the next wave of entrepreneurs to make the leap and potentially become economic engines in their own right.

Employers that choose to provide these leave policies will not just reap the benefits of a tax credit. They will also get a unique and innovative recruitment tool when they go to hire new talent, a particular encouragement in those industries that place a premium on innovation, like business administration, healthcare, and technology. Businesses that offer these incentives also

get the opportunity, if they choose to, as ground-floor investors of their employee's entrepreneurship ideas.

With this bill we take a step towards building an economic climate that not just encourages innovation but continues to make it easier for entrepreneurs to be drivers of our state's economy.

For these reasons, I urge a favorable report.