UNFAVORABLE

TESTIMONY PRESENTED TO THE HOUSE
WAYS AND MEANS COMMITTEE

HOUSE BILL 1294
ARTIFICIAL INTELLIGENCE TOOLS - INCOME TAX CREDIT AND SALES
AND USE TAX

TASHA CORNISH
CYBERSECURITY ASSOCIATION OF MARYLAND, INC.

POSITION: UNFAVORABLE

February 22, 2024

Chair Atterbeary, Vice Chair Wilkins, and Members of this Committee, thank you for the opportunity to speak on House Bill 1294.

The Cybersecurity Association of Maryland, Inc. ("CAMI") supports SB 982. CAMI is a statewide, 501(c)(6) nonprofit organization established in 2015, created to drive the growth of Maryland's cybersecurity industry. Our membership includes over 600 firms ranging in size from Fortune 500 companies to solo owner operators and represents nearly 100,000 Maryland employees.

HB 1294 expands the existing Credit for the Purchase of Cybersecurity Technology or Services to include artificial intelligence tools. Artificial intelligence is playing an increasingly important role in cybersecurity. The existing tax credit is indeed underutilized. CAMI is supportive of a modernization of the existing credit and that modernization could be inclusive of artificial intelligence. However, including artificial intelligence without any further work on the credit leaves the needed improvement undone.

The existing credit indeed needs modernization. CAMI commits to that work, however HB1294 delays that modernization. For these reasons, CAMI cannot support HB 1294 and requests an unfavorable report from the committee.