

Re: Support (Favorable) for HB 0498/ SB0427

To Whom It May Concern:

I am writing to express my support for HB 0498/ SB0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act. The Biotechnology Investment Incentive Tax Credit Program (BIITC) is a very popular tax credit program that supports biotech startups in Maryland. The programs both attracts investment in our most promising biotech startups and bolsters economic growth by supporting and strengthening our life science companies here in the state.

While the BIITC program is successful in many regards, there is an unnecessary administrative burden that hinders the program, and this bill addresses this burden by allowing a pass-through entity that pays a certain income tax on behalf of its members to claim and allocate in any manner a credit or refund of a credit. To put it simply, this bill maintains all of the benefits of the BIITC program, while letting the pass-through entity bear the burden of administrative coordination (so that the individual investor does not need to).

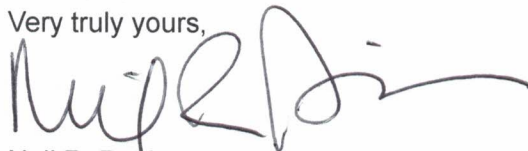
This change to the BIITC program is necessary to unlock the potential of institutional investors and increase participant satisfaction – and thus realizing the full potential of the program. The impact of BIITC will always be stunted, and its value limited, unless we can figure this out, because institutional investors have communicated that they simply will not participate unless the credit can be distributed at the entity level.

Specifically, this bill addresses the following:

- Alignment with Venture Capital Industry Standards:
- Need for Investor Satisfaction
- Evidence of Why this Does Not Work As-Is
- Enhanced Venture Capital Efficacy
- Program Improvement

A fix and improvement are required for Maryland's benefit and in the interest of making government work for its people. I would like to thank you for your support of this bill that unlocks the full potential of the Biotechnology Investment Incentive Tax Credit Program.

Very truly yours,



Neil R. Davis
General Partner