TO: The Honorable Guy Guzzone, Chair
                  Members, Senate Budget and Taxation Committee
                  The Honorable Brian J. Feldman

FROM: Andrew G. Vetter
                  J. Steven Wise
                  Danna L. Kauffman
                  Christine K. Krone

DATE: January 15, 2025

RE: **SUPPORT** – Senate Bill 91 – *Economic Development – Income Tax Benefit Transfer Program – Establishment*

The Maryland Tech Council (MTC), with over 800 members, is the State's largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State's life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **support** for Senate Bill 91.

Senate Bill 91 establishes the Income Tax Benefit Transfer Program within the Department of Commerce to allow eligible technology companies in the State with unused amounts of net operating loss subtraction modifications or income tax credits to transfer those benefits for use by other business taxpayers in the State. MTC understands that Senate Bill 91 is modeled after a similar law in New Jersey. New Jersey's program has demonstrated that such an initiative can provide much-needed capital to early-stage companies that have not achieved profitability by allowing them to sell their unused net operating losses to more established business entities. The proceeds from these sales provide liquidity to startups to continue to grow and innovate, hire skilled workers, and scale operations. Early-stage companies in Maryland would benefit from a similar approach to addressing the challenge of access to capital and high operating costs.

Senate Bill 91 helps move Maryland closer to our goal of becoming the country's number one innovation economy for life sciences and technology. We urge a **favorable** report.

For more information call:
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