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**Re: Support (Favorable) for HB 0498 / SB 0427**

To Whom It May Concern:

I am writing to express my strong support for **HB 0498 / SB 0427 - Economic Development - Delivering Economic Competitiveness and Advancing Development Efforts (DECADE) Act**. As the **CEO of ARMR Systems**, a company that has directly benefited from the **Biotechnology Investment Incentive Tax Credit (BIITC) program**, I have seen firsthand the power of this program in enabling Maryland's biotech startups to secure critical funding and drive innovation.

The **BIITC program has been instrumental in helping ARMR Systems attract investment**, allowing us to develop life-saving medical technologies and expand our operations in Maryland. However, **the current administrative hurdles create unnecessary barriers that limit the program's full impact**. This bill presents a **simple yet critical fix**—by allowing pass-through entities to claim and allocate the tax credit at the entity level, it **removes the administrative burden from individual investors**, making the program more accessible and effective.

**Why This Legislation is Critical for Maryland's Innovation Economy:**

**1. Ensuring Maryland Remains Competitive for Investment**

The BIITC program was designed to **incentivize venture investment** in Maryland biotech startups. However, institutional investors have made it clear that **they will not participate in our investments unless the tax credit can be allocated at the entity level**. Other states with similar tax credit programs already provide this flexibility, and Maryland must do the same to remain competitive.

**2. Attracting and Retaining Investors**

Investors play a vital role in fueling biotech innovation, but the current requirement that **each investor must individually apply for and claim the tax credit** creates unnecessary complexity. Many investors simply **opt out** due to this burden. Allowing **entity-level allocation will remove friction**, making it easier to attract and retain the capital necessary to grow Maryland-based biotech companies.

**3. Learning from Past Challenges**

The challenges **demonstrated the flaws in the current system**—investors struggled to file correctly, some did not file at all, and administrative hurdles led to confusion and

inefficiencies. These issues persist today, **limiting the program's ability to drive economic growth**. The proposed changes will streamline the process and ensure that Maryland companies can **fully leverage the benefits of the BIITC program**.

4. **Supporting Maryland-Based Startups Like ARMR Systems**

ARMR Systems has benefited from the BIITC program, but I can confidently say that **this fix would make it even more effective**. As a company developing life-saving hemorrhage control systems, **access to early-stage funding is critical** for our success and the success of countless other biotech startups in Maryland.

**Conclusion:**

The BIITC program has the potential to be a game-changer for Maryland's biotech ecosystem, but **without this necessary reform, its impact will remain limited**. By allowing tax credits to be allocated at the entity level, **HB 0498 / SB 0427 will remove barriers to investment, strengthen the biotech sector, and drive innovation and job creation in the state**.

I strongly urge you to support this bill and help ensure that Maryland's biotech industry can continue to thrive.

**Sincerely,**

**Chibueze Ihenacho**

CEO, President

ARMR Systems, Inc.