



House Ways and Means Committee

February 20, 2025

House Bill 1321 – *Income Tax – Credit for Cybersecurity Measures Undertaken by Small Businesses*

POSITION: SUPPORT

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 House Bill 1321.

House Bill 1321 establishes a refundable income tax credit for small businesses across Maryland to offset the costs of implementing cybersecurity measures. This credit would be available to businesses with 50 or fewer employees, providing \$1,000 for an initial cybersecurity risk assessment and implementation. Qualifying applicants can receive an additional \$500 for ongoing security expenses, such as antivirus software and data encryption. Small businesses have been increasingly and disproportionately targeted by cybercriminals due to their often-weaker security systems. These breaches can potentially lead to financial losses and reputational damage. We recognize that many small businesses lack the financial resources to invest in strong cybersecurity measures. By lessening the cost burden associated with implementing strong security measures, MTC believes that new businesses will be attracted to Maryland and existing ones will be incentivized to take preventative action.

We urge a favorable report on House Bill 1321.

For more information call:

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