

Bill Number: HB0035

Title: Economic Development – Income Tax Benefit Transfer Program - Establishment Hearing

Date: January 30, 2025

Committee: Ways and Means Committee

Recommend: FAVORABLE

Maryland has been central to my journey from a young age, and though America is the land of opportunity, for me, this state is its cradle.

As a proud University of Maryland MBA graduate and CEO of Ion Storage Systems, I passionately advocate for the implementation of an Income Tax Benefit Transfer Program in our state. This initiative would provide essential support to many innovative, Maryland-based companies like ours, driving economic growth and cementing Maryland's status as a leader in technology and innovation.

Ion Storage Systems is developing next-generation solid-state batteries – a safer, more efficient, and sustainable alternative to traditional lithium-ion batteries. This technology has the potential to revolutionize industries ranging from military and consumer electronics to electric vehicles. However, like many startups in the advanced technology sector, our early-stage development requires significant investment in research and development, resulting in net operating losses (NOLs).

An Income Tax Benefit Transfer Program would support many startups, like Ion Storage Systems, during what is widely known as the “valley of death”, referring to the crucial transition between R&D and commercialization. Such a program would help companies bridge the gap to market entry, enabling them to thrive and further contribute to Maryland's economy.

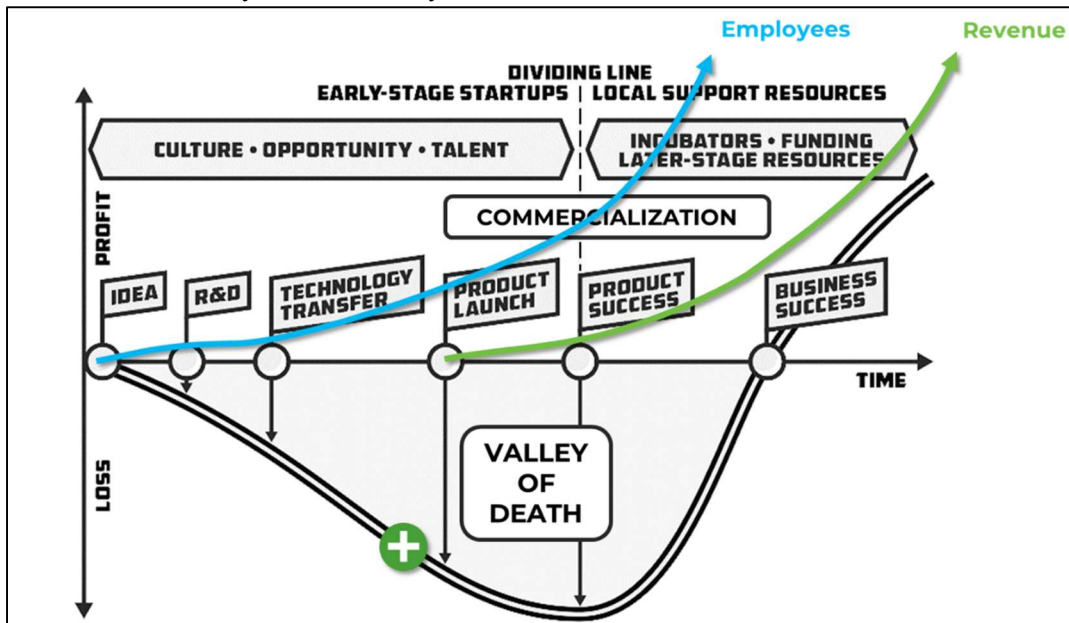


Image Credit — The Startup Valley of Death, Neverstop.Co

The Income Tax Benefit Transfer Program would be transformative for many companies like Ion Storage Systems. Allowing such companies to sell NOLs to profitable corporations would provide them with crucial access to cash at a critical juncture. In the case of Ion Storage Systems, it would enable us to:

- **Accelerate R&D:** Bring our cutting-edge battery technology to market faster, giving Maryland a competitive edge in the rapidly growing energy storage sector.

- **Scale local manufacturing:** Build out facilities in Maryland, creating high-quality jobs and boosting the state's economic growth.
- **Attract top talent:** Offer competitive compensation to draw the best minds to Maryland, establishing it as a hub for innovation.

In conclusion, the Income Tax Benefit Transfer Program would boost competitiveness for many companies that call Maryland home and complement many existing early state programs to continue fostering growth in the State. By providing early cash access, and speeding up technology development and commercialization, startups can generate revenues quicker and deliver higher investment returns. The Income Tax Benefit Transfer Program would enhance Maryland's top-tier research community, creating a unique ecosystem that attracts cutting-edge innovation, leading to job creation, long-term economic growth, and increased state tax revenue.

I respectfully urge you to consider the economic and technological benefits of the Income Tax Benefit Transfer Program in Bill 091, proposed by Senator Feldman. It is a defining, strategic investment in Maryland's future, empowering companies like Ion Storage Systems to drive innovation, create jobs, and solidify Maryland as a leader in the 21st-century economy.

ION is fortunate to have hosted multiple esteemed visitors such as Governor Wes Moore, Senator Brian Feldman, US Senator Chris Von Hollen, US Congressman Glenn Ivey, ARPA-E Director Evelyn Wang, University of Maryland President Darryll Pines, Maryland State Senator Jim Rosapepe, Maryland State Delegate David Fraser-Hidalgo, and many other Maryland state and local officials. I would like to invite members of the committee to visit us in Beltsville, MD to learn more about our amazing people and the transformational technology we are developing and bringing to market – right here in Maryland.



Image Credit – Courtesy of ION Storage Systems

Thank you for your time and consideration.

Most sincerely,

Jorge Diaz-Schneider
CEO, Ion Storage Systems