

## Written Testimony in Support of Senate Bill 826

### **To the Members of the Maryland Senate Budget and Taxation Committee:**

My name is Taimur Aslam, and I serve as the Chief Technology Officer (CTO) of Cytex Inc., a Maryland-based company specializing in cybersecurity and AI risk governance solutions. Cytex Inc. is headquartered in Maryland and has been at the forefront of developing innovative tools to help organizations mitigate cyber threats and navigate the ethical and security challenges posed by artificial intelligence. I am writing today in strong support of Senate Bill 826, which reinstates and enhances the Angel Investor Tax Credit Program to incentivize investments in emergent technologies like AI, quantum computing, and cybersecurity.

As a technology leader in Maryland's burgeoning tech sector, I have witnessed firsthand the challenges faced by early-stage and expanding companies in securing the capital needed to innovate and grow. Cytex Inc. started as a small team focused on AI-driven cybersecurity, and we have expanded our operations to address the growing intersection of AI and risk governance—a field critical to protecting businesses, governments, and individuals from evolving digital threats. However, access to investment remains a significant barrier for companies like ours, particularly in a competitive landscape where talent and resources are often drawn to larger tech hubs outside Maryland. SB 826 addresses this gap by offering a 25% nonrefundable income tax credit for qualified investments of at least \$25,000 in Maryland companies engaged in these key emergent technologies, capped at \$1 million per investor. This incentive not only encourages individual and entity investors to support local innovation but also allows for carry-forward of unused credits for up to five years, making it a practical and attractive option for fostering long-term growth.

The bill's focus on emergent technologies is particularly timely and strategic. In cybersecurity and AI, Maryland has the potential to become a national leader, leveraging our proximity to federal agencies and research institutions. At Cytex Inc., we have seen how targeted investments can accelerate product development—for instance, our recent AI-based risk assessment platform was made possible through early angel funding that allowed us to hire specialized engineers and conduct essential R&D. By reserving 50% of the credits for companies that have been in business for seven or more years and are expanding into emergent technologies, SB 826 ensures that established firms like ours can pivot and innovate without being overshadowed by startups alone. This balanced approach will help retain and create high-skilled jobs in Maryland, boost our state's economy, and position us as a hub for cutting-edge tech. The program's structure, including the \$25 million annual appropriation to the Angel Investor Tax Credit Reserve Fund, provides a reliable funding mechanism that can generate meaningful returns through increased business activity, tax revenues from growing companies, and reduced reliance on out-of-state talent.

Moreover, the eligibility criteria for qualified Maryland companies—such as having headquarters in the state, fewer than 25 employees, and gross revenues under \$20 million—align perfectly with the needs of small businesses in our sector. These safeguards ensure that the credits go to genuine innovators who are committed to Maryland’s future, while the waiver provisions for expanding companies offer flexibility without compromising oversight. The Department of Commerce’s role in certifying applications on a first-come, first-served basis, combined with recapture provisions for non-compliance, adds accountability and efficiency to the program.

In conclusion, SB 826 is a forward-thinking investment in Maryland’s technological edge that will empower companies like Cytex Inc. to thrive, drive economic development, and enhance our state’s competitiveness in AI and cybersecurity. I urge the committee to pass this bill and help build a stronger, more innovative Maryland. Thank you for your consideration. I am available to answer any questions or provide additional insights.

Sincerely,

Taimur Aslam  
Chief Technology Officer  
Cytex Inc.

Maryland