



Senate Bill 826 – Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology

Senate Budget & Taxation Committee

Support
March 04, 2026

The Maryland Technology Development Corporation (TEDCO) respectfully submits this letter of support for Senate Bill 826. TEDCO is a public instrumentality of the State of Maryland created to advance technology-based economic development, innovation, and entrepreneurship. Serving Maryland's innovation ecosystem, TEDCO discovers, invests in, and helps build Maryland-based technology companies and is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem.

SB 826 establishes an Emerging Technology Angel Investor Tax Credit, where investors in an emerging technology sector can receive a credit of 25% of their investment, up to \$1,000,000. These incentives are targeted towards early-stage emerging technology startups (under 7 years old and with fewer than 25 full-time employees) and existing small businesses expanding into emergent technology.

A proposed Angel Tax Credit, offering high-net-worth individuals a 25% credit on investments of up to \$1 million in qualifying Maryland early-stage technology companies, would provide a crucial and direct boost to the state's innovation ecosystem. Currently, many promising startups emerging from world-class institutions like Johns Hopkins and the University of Maryland face a significant funding gap. This credit would directly incentivize Maryland's high net worth individuals to deploy their capital into these nascent ventures, increasing the availability of essential seed and early-stage funding. By reducing the personal risk associated with angel investing, the credit lowers the barrier to entry for potential investors, broadening the pool of capital and stimulating the launch and growth of more Maryland-based tech companies.

Beyond simply injecting capital, the Angel Tax Credit would foster a stronger, more connected entrepreneurial community within Maryland. High-net-worth individuals, encouraged by the tax benefit, would not only provide financial backing but also bring invaluable mentorship, industry connections, and strategic guidance to these young companies. This infusion of experience and networks is often as critical as capital for early-stage success, significantly enhancing the operational capabilities and market reach of startups. By catalyzing local growth amendment, the credit aims to retain Maryland's brightest innovations within the state, creating high-paying jobs, stimulating economic growth, and ultimately building a more robust and self-sustaining technology ecosystem.

For these reasons, TEDCO supports SB 826 and urges a favorable report.