



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

3430 Courthouse Drive ■ Ellicott City, Maryland 21043 ■ 410-313-2013 Voice/Relay

Calvin Ball
Howard County Executive
cball@howardcountymd.gov

www.howardcountymd.gov
FAX 410-313-3051

March 2, 2026

The Honorable Guy Guzzone, Chair
Budget and Taxation Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

Re: **TESTIMONY IN SUPPORT of Senate Bill 826** - Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology

Dear Chair Guzzone, Vice Chair Rosapepe and Members of the Committee:

Thank you for the opportunity to provide written testimony in support of Senate Bill 826. I appreciate Senator Hester's leadership in advancing legislation that strengthens Maryland's innovation economy and encourages private investment in early-stage technology companies.

Maryland has built extraordinary advantages in research, federal presence, and technical talent. Yet, promising companies struggle at the transition from concept to scalable business. Early-stage firms in cybersecurity, quantum, AI, and other emergent sectors often face limited access to patient, risk-tolerant capital. When that capital is unavailable locally, companies are forced to look elsewhere, increasing the likelihood that future growth and eventually headquarters will move out of Maryland.

Senate Bill 826 authorizes a State income tax credit equal to 25% of an investment in a qualified Maryland company, up to \$1,000,000. By reducing downside risk, this incentive encourages more individuals to participate in angel investing and supports larger, more coordinated early-stage investment.

This structure helps activate the private market in several ways. It brings new investors into the ecosystem, encourages experienced angels to write larger checks, and signals that Maryland is a state where early-stage investment is welcomed and supported. As angel participation increases, so does the quality of early-stage deal flow, creating stronger foundations for later venture and institutional investment.

Venture investors consistently look for markets where early-stage capital is organized, where angels are active and there is depth in priority sectors. A healthy angel ecosystem is often the first indicator that a region is ready for sustained private investment.

In Howard County, these dynamics are visible at the Maryland Innovation Center (MIC). The MIC supports 100 growth-stage technology companies across high-impact sectors. Fifteen percent generate more than \$1 million in annual revenue, while the remainder generate between \$150,000 and \$1 million. One quarter have raised outside capital in recent years, and half of those rounds were led by investors based outside Maryland.



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While many founders remain in Howard County due to personal and professional ties, reliance on out-of-state capital creates long-term vulnerability. Strengthening in-state angel investment increases the likelihood that companies grow, hire, and remain rooted in Maryland.

Because the MIC is a government-backed incubator that does not take equity, access to private capital is essential. Senate Bill 826 provides a critical external lever to support company growth, job creation, and long-term retention.

This legislation is a strategic investment in Maryland's early-stage capital infrastructure. Combined with local efforts to connect founders and investors, it strengthens the innovation pipeline and reinforces Maryland's position as a competitive place to start and scale technology companies.

For these reasons, I respectfully urge a favorable report on Senate Bill 826.

Respectfully,

Calvin Ball
Howard County Executive