



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 submit written testimony in support of Senate Bill 826, which strengthens Maryland's Angel Investor Tax Credit to incentivize private investment in emergent technology companies. I also want to thank Senator Hester for her leadership on this important issue. This legislation enhances Maryland's ability to attract and deploy early-stage capital into high-growth sectors that are central to the State's long-term economic competitiveness.

Early-stage companies face a persistent capital gap between proof-of-concept and institutional venture investment. Although Maryland benefits from world-class research institutions, federal laboratories, and a highly skilled workforce, access to early, risk-tolerant capital remains a structural challenge. Without stronger in-state investment incentives, companies often seek capital elsewhere, increasing the risk that headquarters, talent, and long-term growth migrate out of Maryland.

SB 826 directly addresses this gap by allowing a credit against the State income tax equal to 25% of an investment made in qualified Maryland companies, up to \$1,000,000. This targeted incentive reduces downside risk for investors at the stage when capital is most needed.

By offering this 25% credit, the bill:

- Encourages first-time angels to participate
- Encourages existing angels to increase check sizes
- Incentivizes investors to prioritize Maryland-based companies

As more angels deploy capital locally, angel networks become stronger and more active. A robust angel ecosystem improves the quality of early rounds and strengthens the top of the capital stack, making companies more competitive for later-stage investment.



A strong angel network signals validation and reduces perceived risk, attracting venture funds, corporate venture arms, and other institutional capital.

At the Howard County Economic Development Authority, the Maryland Innovation Center (MIC) is home to 100 growth-stage companies. Fifteen percent exceed \$1 million in revenue, while the remainder generate between \$150,000 and \$1 million annually. Twenty-five percent have raised funding in recent years, and half of those have secured capital from outside Maryland.

While many founders remain here due to community ties, the absence of stronger in-state investor incentives creates a fragmented capital environment. Some companies are already building relationships outside Maryland, increasing long-term relocation risk.

Because the MIC is a government-backed incubator that does not take equity, SB 826 provides a critical external capital lever. It supports company growth, job creation, and long-term retention within Howard County and across the State.

This legislation is a structural investment in Maryland's early-stage capital infrastructure. Combined with local efforts to connect founders and investors, SB 826 strengthens the foundation of Maryland's innovation economy.

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

Thank you for your consideration.

Respectfully,

Jennifer Jones

Jennifer Jones
CEO, Howard County Economic Development Authority