

SB0025 -- Income Tax - Cybersecurity Technology an

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Position: FAV



Senate Bill 25 -- *Income Tax - Cybersecurity Technology and Service Tax Credit - Alterations*
Senate Budget and Taxation Committee
January 21, 2026
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 25 -- *Income Tax - Cybersecurity Technology and Service Tax Credit - Alterations*.

Senate Bill 25 establishes the Buy Maryland Cybersecurity Tax Credit, providing the purpose of the credit is to promote the cybersecurity industry in the State by helping Maryland businesses and nonprofits purchase cybersecurity technologies and services from Maryland companies. The bill further alters the aggregate amount of credits that may be issued for certain cybersecurity purchases from \$200,000 to \$1,000,000 and sunsets the program on January 1, 2031.

MCCC is supportive of altering the Buy Maryland Cyber Tax Credit to make it a more effective tool for growing cybersecurity, one of the State's strategic industries. Maryland is home to an expanding number of companies providing cybersecurity services, but competition in the sector is intense. A strong, innovative incentive is essential to maintaining and growing Maryland's cybersecurity footprint and creating jobs.

In the Metro Maryland region, many cybersecurity firms are entrepreneurial small businesses, often led by Service-Disabled Veteran-Owned Small Business and Veteran-Owned Small Business owners. These businesses would benefit from an incentive that makes it more affordable for other small businesses to procure cybersecurity services.

The Buy Maryland Cybersecurity Tax Credit, approved by the General Assembly in 2018 and administered by the Department of Commerce, has been a good incentive, but the program now demands changes to meet the needs of today's cyber industry. While the tax credit reinforces that cybersecurity is a targeted industry in Maryland, its current structure limits its potential. The proposed changes to the Buy Maryland Cyber Tax Credit would increase the program's flexibility, improve its effectiveness, and expand its utilization among small businesses.

For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 25 and respectfully requests a favorable report.

The Montgomery County Chamber of Commerce (MCCC), on behalf of its members, champions the growth of business opportunities, strategic infrastructure investments, and a strong workforce to position Metro Maryland as a premier regional, national, and global business location. Established in 1959, MCCC is an independent, non-profit membership organization.

*Brian Levine | Vice President of Government Affairs
Montgomery County Chamber of Commerce
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BCR_SB25_Letter_of_Support.pdf

Uploaded by: Bruce Spector

Position: FAV



BCR Cyber | 3700 Koppers Street, Suite 500, Baltimore, MD 21227 | (443) 545-0702 |
www.brcyber.com

TO: Members of the Senate Budget and Taxation Committee
FROM: Bruce Spector, Chairman of the Board, Baltimore Cyber Range
DATE: 1/19/2026
RE: SB 25 – Income Tax – Buy Maryland Cybersecurity Tax Credit
POSITION: **SUPPORT – Favorable Report**

Dear Chair Guzzone and Members of the Committee,

My name is Bruce Spector, and I am the Chairman of the Board of BCR Cyber, a Maryland-based company specializing in cybersecurity training, workforce development, and the advancement of Maryland’s cybersecurity ecosystem. I am writing to express BCR’s strong support for a **favorable report on Senate Bill 25** – The Buy Maryland Cybersecurity Tax Credit.

Maryland continues to face a significant and well-documented cybersecurity workforce shortage, with tens of thousands of open positions across the public and private sectors. At the same time, Maryland businesses, nonprofits, and public entities are under increasing pressure to invest in cybersecurity tools and services to protect sensitive data, critical infrastructure, and essential services. SB 25 addresses both challenges by incentivizing the use of Maryland-based cybersecurity companies while helping organizations offset the real and growing costs associated with cybersecurity adoption.

From BCR’s perspective, SB 25 is particularly impactful because it strengthens demand for Maryland-based cybersecurity products and services, allowing in-state companies to scale, innovate, and retain talent locally. By making the credit refundable and expanding its usability, the bill ensures that small and mid-sized organizations - often the most vulnerable to cyber threats - can meaningfully participate, rather than being priced out of essential protections.

This legislation also reinforces Maryland’s broader economic development and workforce priorities. By encouraging organizations to “buy Maryland,” SB 25 supports high-quality cybersecurity jobs, strengthens employer pipelines, and creates downstream demand for training and upskilling programs that prepare Maryland residents for in-demand cyber careers.

Cybersecurity is no longer optional, and the cost of inaction - whether measured in financial loss, operational disruption, or public safety risk, is far greater than the cost of investment. SB 25 represents a pragmatic, targeted approach that enhances Maryland’s cyber resilience while supporting local industry and talent.



BCR Cyber | 3700 Koppers Street, Suite 500, Baltimore, MD 21227 | (443) 545-0702 |
www.brcyber.com

For these reasons, Baltimore Cyber Range respectfully urges the Senate Budget and Taxation Committee to issue a favorable report on SB 25.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Spector".

Bruce Spector
Chairman of the Board
Baltimore Cyber Range

SB0025_FAV_MTC_Income Tax - Cybersecurity Technolo

Uploaded by: Drew Vetter

Position: FAV



Senate Budget and Taxation Committee
January 21, 2026

Senate Bill 25 – *Income Tax – Cybersecurity Technology and Service Tax Credit – Alterations*
POSITION: SUPPORT

The Maryland Tech Council (MTC), with over 800 members, is the State’s largest association of technology companies. Our vision is to propel Maryland to be the country's number one innovation economy for life sciences and technology. MTC brings the State’s life sciences and technology communities into a single, united organization that empowers members to achieve their goals through advocacy, networking, and education. On behalf of MTC, we submit this letter of **support** for Senate Bill 25.

Senate Bill 25 makes targeted, strategic enhancements to the Buy Maryland Cybersecurity (BMC) Tax Credit. BMC is a tax credit the Department of Commerce administers and is designed to strengthen Maryland’s cybersecurity industry by helping small businesses purchase cybersecurity technologies and services from Maryland-based companies.

The cybersecurity sector is a vital driver of innovation, job creation, and economic competitiveness in Maryland. By revising and expanding the BMC Tax Credit, Senate Bill 25 will encourage greater investment in cybersecurity products and services developed by Maryland firms. Senate Bill 25 accomplishes this by making the credit refundable, expanding eligibility for qualified buyers, and increasing the aggregate credit cap per seller from \$200,000 to \$1,000,000. These changes will broaden participation in the program, particularly among nonprofits and businesses with limited or no tax liability and provide stronger market support for Maryland cybersecurity providers.

By enhancing this tax credit, the State can improve cybersecurity resiliency for Maryland businesses while helping local cybersecurity companies grow and compete nationally. MTC respectfully urges a favorable report on Senate Bill 25.

For more information call:

Andrew G. Vetter
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Christine K. Krone
410-244-7000

SB 25_Commerce_Support.pdf

Uploaded by: Harry Coker

Position: FAV



Wes Moore | Governor
Aruna Miller | Lt. Governor
Harry Coker, Jr. | Secretary of Commerce

DATE: January 21, 2026
BILL NO: Senate Bill 25
BILL TITLE: Income Tax – Cybersecurity Technology and Service Tax Credit - Alterations
COMMITTEE: Senate Budget & Taxation
POSITION: Support

The Maryland Department of Commerce (Commerce) supports Senate Bill 25 – Income Tax – Cybersecurity and Service Tax Credit – Alterations.

Bill Summary:

SB 25 makes several alterations to the Buy Maryland Cybersecurity Tax Credit in order to enhance its effectiveness in growing one of the State’s strategic industries. The legislation alters the program in the following ways:

- Eliminates the limit on the size of company that can be considered a Qualified Buyer for the purpose of the tax credit;
- Increases the limit on annual revenue for a business to be considered a Qualified Seller for the purpose of the tax credit from \$5,000,000 to \$10,000,000;
- Increases the amount of credits that can be claimed by a qualified buyer for purchases from a single qualified seller from \$200,000 to \$1,000,000;
- Eliminates the requirement that 25% of the credit be awarded to qualified buyers that purchase cybersecurity services as opposed to products;
- Makes the tax credit refundable so that program is a useful incentive for nonprofits and business with no tax liability;
- Repeals the requirement for the Department to establish a panel of experts to assist with program administration;
- Officially names the program to be the Buy Maryland Cybersecurity Tax Credit and codifies the intent of the credit; and
- Creates a sunset of the Program to January 1, 2031.

Background:

The Buy Maryland Cybersecurity Tax Credit was established through legislation in 2018 and has had modest success. On average, in each year, 38 buyers are awarded \$444,145 in credits for buying cybersecurity technologies and services from 12 sellers. Utilization has increased in recent years, but over the lifetime of the credit a total of just over \$3,000,000 in tax credits has been awarded despite an annual cap of \$4,000,000.

Rationale:

The intent of the Buy Maryland Cybersecurity Tax Credit, as will be codified through this legislation, is to promote the State’s cybersecurity industry by incentivizing Maryland businesses to purchase cybersecurity products and services from Maryland cyber companies. This has a dual benefit of boosting the cybersecurity companies in the State, and ensuring that Maryland

companies are able to protect important business and customer information. The program was evaluated by the Department of Legislative Services (DLS) in 2023 with a main finding being that the program is underutilized¹.

SB 25 incorporates several recommendations DLS made in their evaluation of the program in order to remove barriers to utilization and increase activity levels in the program. This legislation is the end result of collaborative effort between Commerce and the Cybersecurity Association of Maryland, taking into consideration feedback from many of their members that have participated in the program, as well as the recommendations of DLS and the experience of Commerce staff in administering the program. Implementing the suggested changes will make the current underutilized program a more valuable resource for Maryland's cyber businesses and will ultimately allow more Maryland companies to ensure their data and their customers' data is secure.

Commerce respectfully requests a favorable report on Senate Bill 25.

¹ [https://dlslibrary.state.md.us/publications/OPA/I/TG1-307\(a\)\(1\).\(CTS\)_2023.pdf](https://dlslibrary.state.md.us/publications/OPA/I/TG1-307(a)(1).(CTS)_2023.pdf)

SUPPORT OF BILL20250321_11220332.pdf

Uploaded by: Tom Wieland

Position: FAV

I SUPPORT THIS BILL:BECAUSE

THIS BILL AS WRITTEN DOES WARRANT ITS EXPENSE

Tom Wieland

2464 Symphony Lane

Gambrills, Md. 21054

SUPPORT OF BILL20250321_11220332.pdf

Uploaded by: Tom Wieland

Position: FAV

I SUPPORT THIS BILL:BECAUSE

THIS BILL AS WRITTEN DOES WARRANT ITS EXPENSE

Tom Wieland

2464 Symphony Lane

Gambrills, Md. 21054

Written Testimony in Support of SB 25 Buy Maryland

Uploaded by: Michael Cohn

Position: FWA

Written Testimony in Support of SB 25 (Buy Maryland Cybersecurity Tax Credit)

TO: Members of the Senate Budget and Taxation Committee

FROM: Michael Cohn, CEO, Summit Business Technologies

DATE: 1/19/2026

RE: SUPPORT for SB 25 – Income Tax - Buy Maryland Cybersecurity Tax Credit

Dear Chair Guzzone and Members of the Committee,

I am writing as a small business in Anne Arundel County to urge a **favorable report on Senate Bill 25**.

Protecting our sensitive business and customer information is a top priority. However, the 3% tech tax creates a financial hurdle when we try to implement highly critical cybersecurity products and services. SB 25 provides an essential solution by designating this credit as the **Buy Maryland Cybersecurity Tax Credit**, designed specifically to help Maryland entities purchase the protections they need from local cybersecurity companies.

Our Specific Challenges: As a small IT services business, we find that customers today care about data protection. Companies that are investing in cybersecurity, especially when supported by state incentives, send a positive signal of trustworthiness. That can help land new clients and retain existing ones.

As you well know cyberattack can:

- shut down operations,
- cost tens or hundreds of thousands in recovery,
- damage reputation, and
- threaten customer data.

By investing in security, companies reduce the risk of disruption and financial loss. The tax credit supports this by making security investments easier to justify and helps alleviate the burden of the 3% tax on technology services

When a state offers incentives like these, it strengthens its position as a place to do business, particularly companies and government contractors that must comply with cybersecurity standards such as CMMC, SOC 2, or NIST. Expanding the tax credit to be refundable also allows nonprofit organizations to participate, increasing the likelihood that these entities can invest in securing their data.

Why SB 25 is Critical for Buyers:

- **New Refundability:** One of the most important changes in this bill is making the credit **refundable**. If the 50% credit exceeds our tax liability, we can receive the excess as a refund, providing immediate liquidity to reinvest in our security.
- **Access to Expertise:** By raising the aggregate credit cap for purchases from a single seller to **\$1,000,000**, the bill ensures that we can engage with high-capacity Maryland cybersecurity firms to solve complex threats.
- **Offsetting Costs:** This credit allows us to claim up to **\$50,000** per year. This directly offsets the costs of the tech tax and allows us to implement NIST-standard cybersecurity services that would otherwise be cost-prohibitive.

This legislation is a win-win: it secures Maryland's small businesses while growing our local cybersecurity industry. I respectfully request a **favorable report** on SB 25.

Sincerely,

Michael L Cohn

Michael L Cohn

Summit Business Technologies

8223 Cloverleaf Drive, Suite 100

Millersville, MD 21108