

HCCC_SB 826_FAV.pdf

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Position: FAV



March 4, 2026

Legislative Position: Favorable

Senate Bill 826

Income Tax - Angel Investor Tax Credit for Investments in Emergent Technology

Senate Budget & Taxation Committee

Dear Chair Guzzone and members of the committee:

Founded in 1969, the Howard Chamber of Commerce is dedicated to helping businesses—from sole proprietors to large international firms—grow and succeed. With the power of 700 members that encompass more than 170,000 employees, the Howard County Chamber is an effective partner with elected officials and advocates for the interests of the county’s business community.

On behalf of the Howard County Chamber of Commerce, I write to express our strong support for Senate Bill 826, which would establish the Angel Investor Tax Credit Program to incentivize private investment in early-stage Maryland companies engaged in emergent technologies such as artificial intelligence, quantum computing, and cybersecurity. This bill represents a forward-looking investment in innovation that aligns with both Maryland’s economic development priorities and Howard County’s strategic focus on nurturing a thriving technology ecosystem.

Howard County has long sought to attract and grow companies in high-growth technology sectors. Our community benefits from a highly educated workforce, proximity to federal research institutions and agencies, and a robust base of existing tech and defense contractors. However, like many communities across the nation, we recognize that access to capital remains a critical barrier for early-stage companies and emerging innovators. By offering a meaningful income tax credit to qualified investors who commit capital to Maryland-based emergent technology firms, SB 826 would significantly enhance the state’s ability to attract angel investment, stimulate company formation, and accelerate commercialization efforts right here in Maryland.

The Chamber believes that competitiveness in today’s global economy requires proactive policies that lower hurdles for investment and make Maryland more attractive relative to neighboring states. A tax credit for angel investment encourages private capital to flow into promising startups, helping them grow, hire local talent, and remain headquartered within the state. For Howard County, this could translate into increased business formation, expanded partnerships between innovators and existing employers, and more high-wage jobs in key sectors.

Moreover, SB 826 reinforces broader state economic development efforts to diversify our technology economy and build long-term prosperity. Supporting emergent technologies such as AI and cybersecurity



not only enhances the state's innovation pipeline but also leverages Maryland's unique assets to remain competitive on a national and global stage.

We respectfully urge a favorable report on **Senate Bill 826** and signal our state's commitment to fostering an investment-friendly environment for the next generation of technology companies.

Sincerely,

Kristi Simon
President & CEO
Howard County Chamber of Commerce

SB0826 -- Income Tax – Angel Investor Tax Credit f

Uploaded by: Brian Levine

Position: FAV



Senate Bill 826 -- Income Tax - Angel Investor Tax Credit for Investments in Emergent Technology
Senate Budget and Taxation Committee
March 4, 2026
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports Senate Bill 826 -- *Income Tax - Angel Investor Tax Credit for Investments in Emergent Technology*.

Senate Bill 826 establishes the Angel Investor Tax Credit Program and Reserve Fund and allows a qualified investor that invests at least \$25,000 in a qualified emergent technology Maryland company to be eligible for a nonrefundable State income tax credit equal to 25% of the amount of the investment, not to exceed \$1 million. "Emergent technology" is defined as a company engaged in artificial intelligence, quantum computing, or cybersecurity. The bill includes an appropriation of at least \$25 million to the reserve fund in the annual budget bill.

The proposed Angel Investor Tax Credit is designed to accelerate the growth of Maryland's emerging industries by incentivizing private investment in early-stage companies. By encouraging greater participation from individual investors, this program will increase the number of high-growth companies launched and scaled in Maryland, expand investment in transformative technologies, and strengthen the state's broader innovation ecosystem.

Angel investors play a critical role in the entrepreneurial landscape. They provide essential early-stage capital that allows startups to create products, hire talent, and reach key technical and commercial milestones. This type of funding is often the most challenging for entrepreneurs to secure, yet it is foundational to building successful companies.

Maryland would not be alone in adopting this type of initiative. Numerous states have implemented angel investor tax credits, many of which have demonstrated significant success in stimulating investment, attracting talent, and increasing business formation. For technology startups, particularly in the pre-seed and seed stages, one of the greatest barriers to growth is access to early capital. An angel investor tax credit helps address this funding gap by encouraging more individuals to invest in innovative Maryland companies.

Maryland has a meaningful opportunity to strengthen its position as a national leader in science, technology, and innovation. Supporting entrepreneurial activity in emerging industries, including artificial intelligence, quantum computing, and cybersecurity, is essential to Maryland's long-term economic competitiveness. A targeted tax credit for angel investors will help Maryland companies start, grow, and remain in the State, creating high-quality jobs and expanding the innovation economy, while also reducing Maryland's reliance on the federal government for employment and tax revenue.

For these reasons, the Montgomery County Chamber of Commerce supports Senate Bill 826 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
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SB0826_FAV_MTC_Income Tax – Angel Investor Tax Cre

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Position: FAV



Senate Budget and Taxation Committee

March 4, 2026

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

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 826.

Senate Bill 826 creates an Angel Investor Tax Credit for investments in emergent technology companies headquartered and actively operating in Maryland. This legislation is designed to strengthen the State’s innovation economy by encouraging private investment in early-stage tech companies that are developing new technologies in Maryland.

Early-stage companies often struggle to access capital before they are large enough to attract venture capital or institutional investors. Angel investors help fill that gap, but these investments are inherently high risk. Granting these investors a tax credit shows that Maryland is committed to growing in the tech industry by sharing a portion of that risk, making the State attractive for private investors to support Maryland-based startups. Access to early-stage investment is also one of the most critical factors in determining whether a startup succeeds in Maryland or relocates. Senate Bill 826 would strengthen Maryland’s ability to compete with nearby states by encouraging investment in high potential technology ventures and helping promising companies grow here in Maryland.

By incentivizing private sector investment in emergent technologies, the State can support innovation, retain homegrown companies, and attract new businesses seeking a supportive ecosystem. Strengthening access to early-stage capital will reinforce Maryland’s position as a national leader in technology and life sciences while driving job growth and economic expansion.

Senate Bill 826 uses a targeted tax incentive to stimulate private investment, accelerate technology development, and promote long term economic growth in Maryland. For these reasons, the MTC requests a favorable report on Senate Bill 826.

For more information call:

Andrew G. Vetter
J. Steven Wise
Danna L. Kauffman
Christine K. Krone
410-244-7000

MDCC_SB 826_Favorable.pdf

Uploaded by: Grason Wiggins

Position: FAV



Senate Bill 826

Position: Favorable

Committee: Budget and Tax

Date: March 4, 2026

Founded in 1968, the Maryland Chamber of Commerce (“Maryland Chamber”) is a statewide coalition of more than 7,000 members working to develop and promote strong public policy that ensures sustained economic growth and opportunity for all Marylanders.

Maryland has long been home to world-class research institutions, federal laboratories, and a highly educated workforce. However, too often our early-stage companies—particularly those working in artificial intelligence, quantum computing, cybersecurity, and other advanced technology sectors—struggle to access the growth capital necessary to scale within our state. **Senate Bill 826 directly addresses this gap by incentivizing private investment in innovative Maryland companies at a critical stage of development.**

By providing a 25% income tax credit for qualified investments, capped at \$1 million per investment, the bill leverages private capital to accelerate company growth, job creation, and long-term economic development. The creation of a dedicated Angel Investor Tax Credit Reserve Fund will provide predictability and stability, ensuring that Maryland remains competitive with neighboring states.

Importantly, SB 826 includes clear eligibility criteria, oversight mechanisms, and recapture provisions to safeguard taxpayer resources while promoting responsible investment. The program’s sunset provision further ensures that policymakers will have the opportunity to review its effectiveness and fiscal impact.

Supporting early-stage companies in emergent technology sectors is not only an economic development strategy – it is a workforce development strategy and a competitiveness strategy. By strengthening Maryland’s innovation ecosystem, we can retain Maryland-grown startups, attract new companies, and create high-quality jobs across the state. **For these reasons, the Maryland Chamber respectfully requests a favorable report on SB 826.**

SB826.pdf

Uploaded by: Jennifer Jones

Position: FAV



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

SB826 Testimony.pdf

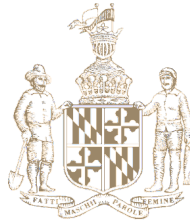
Uploaded by: Katie Fry Hester

Position: FAV

KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Testimony in Support of SB826- Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology

March 2, 2026

Chair Guzzone, Vice-Chair Rosapepe, and members of the Budget and Taxation Committee:

Thank you for your consideration of Senate Bill 826, which would establish an Angel Investor Tax Credit to foster the growth of Maryland’s emergent technologies by incentivizing investment in early-stage companies or small businesses that are expanding.

The technology sector is integral to our State, contributing approximately \$37.8 billion — nearly 9% of Maryland’s overall economy. High-growth startups are among the largest contributors to net new job creation nationally, particularly in technology and research-intensive industries. Yet, many startups fail not because their ideas lack promise, but because they run out of capital before proving their viability — entering what is often called the “Valley of Death,” when companies struggle to demonstrate traction and secure follow-on investment.

Evidence from other states demonstrates that angel investor tax credits leverage significant private capital and accelerate company growth. Legislative evaluations in states such as Minnesota¹ and New Jersey² have found that every dollar of state tax credit typically attracts between \$4.10 and nearly \$9.00 in private investment. These investments allow companies to hire earlier, secure follow-on venture funding, and expand operations locally — generating payroll, income tax, and business tax revenue that strengthens the long-term tax base. A 2020 study found that angel tax credits increase the number of angel investments by about 18% and the number of individual angel investors by 32%.³

¹ https://mn.gov/deed/assets/2024-atc-annual-report_tcm1045-682557.pdf

² https://pub.njleg.gov/Bills/2024/A2500/2365_E1.PDF

³ https://www.nber.org/system/files/working_papers/w27751/w27751.pdf

SB826 supports these ventures by offering a targeted income tax credit to individual investors who invest in qualified Maryland companies in emergent technologies.

Specifically, the bill:

1. Creates an Angel Investor Tax Credit equal to 25% of a qualified investment, up to \$1 million, against the State income tax, with the goal of increasing the number of companies developing in Maryland and the number of individual investors actively investing in Maryland companies;
2. Designates a special continuing, nonlapsing Angel Investor Tax Credit Reserve Fund to finance the tax credit, not less than \$25,000,000 annually;
3. Establishes eligibility criteria for Maryland investors and Maryland companies, clarifying size, revenue, ownership, age, and technology focus requirements;
4. Tasks the Department of Commerce with implementing an application and oversight process that allocates Tax Credits on a first-come, first-served basis; and
5. Establishes guidelines for recapturing funds if recipients of the credit do not continue to meet the designated criteria.

Maryland leads the nation in emerging technologies. Ensuring that companies emerging from our universities and federal research ecosystem can access early-stage capital here, rather than growing elsewhere, is essential to capturing the full economic return on those public and private investments. Without competitive incentives, Maryland risks losing promising companies to neighboring states such as New Jersey and Connecticut, which have already established Angel Investor Tax Credit programs to attract and retain innovation-driven businesses. Passing SB826 will help ensure that Maryland is not only competitive, but positioned as the clear destination for emerging technology growth.

For these reasons, I respectfully request a favorable report on SB826.

Sincerely,

A handwritten signature in black ink that reads "Katie Fry Hester". The signature is written in a cursive, flowing style.

Senator Katie Fry Hester
Howard and Montgomery Counties

SB0826 - Income Tax - Angel Investor Tax Credit fo

Uploaded by: Leeza DeCheubel

Position: FAV



Testimony in Support of
Senate Bill 826 - Income Tax - Angel Investor Tax Credit for Investments in Emergent Technology
Budget and Taxation Committee
March 4, 2026

The Rural Maryland Council supports **Senate Bill 826 - Income Tax - Angel Investor Tax Credit for Investments in Emergent Technology**. Senate Bill 826 creates a meaningful opportunity to strengthen Maryland's innovation economy by encouraging private investment in emerging, high-impact industries. By establishing an Angel Investor Tax Credit for investments in emergent technology companies, the bill helps reduce early-stage risk and makes it more attractive for Maryland investors to support Maryland entrepreneurs.

Many of the industries shaping Maryland's future are deeply interconnected. Indoor agriculture, for example, is not simply about growing food indoors, it brings together environmental science, energy efficiency, data systems, and advanced facility design. These operations often serve as platforms for research, workforce development, and supply chain innovation.

Biotechnology is another area where Maryland has long demonstrated leadership. From laboratory research to bio-manufacturing and applied plant science, biotech enterprises require significant upfront capital before products reach market. Early-stage investors are often the difference between promising research remaining in a lab and becoming a scalable enterprise that creates jobs and attracts follow-on investment. Senate Bill 826 helps close that gap by incentivizing those first critical dollars.

Advanced automation and robotics also play a supporting role in many of these sectors, improving efficiency, precision, and safety in production and distribution environments. Likewise, transportation and logistics technologies help ensure that products developed or grown in Maryland move efficiently through regional and national markets. Together, these industries reinforce one another and contribute to a broader ecosystem of innovation.

For communities across the State, including rural areas and emerging innovation corridors, access to early-stage capital can determine whether transformative projects take root locally or move elsewhere. Facilities tied to indoor agriculture, biotechnology, and related technologies require substantial investment in infrastructure, workforce training, and research capacity. Encouraging angel investment helps anchor these projects in Maryland and strengthens long-term economic stability.

By lowering barriers to early-stage investment and supporting growth in sectors such as biotechnology, indoor agriculture, and advanced technology systems, this bill enhances Maryland's competitiveness and resilience.

For these reasons, the Rural Maryland Council respectfully requests your favorable support of SB 826.

TEDCO Letter of Support SB826 Emerging Tech Angel

Uploaded by: Mindy Lehman

Position: FAV



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.

CE Ball 2026 - SB826 - Income Tax – Angel Investor

Uploaded by: Oluwafunmilola Oduyoye

Position: FAV



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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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.



HOWARD COUNTY OFFICE OF COUNTY EXECUTIVE

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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

Support for SB 826.pdf

Uploaded by: Quentin Smith

Position: FAV

2 March 2026

Subject: Support for Senate Bill 826

Chairman Guzzone, Vice Chair Rosapepe, and members of the Senate Budget and Taxation Committee,

My name is Quentin Smith. I have been a resident of Maryland Legislative District 23 for almost 40 years and have been an active Angel Investor since 2018. Through Old Line Capital Partners, where I am a General Partner, and through personal investments, I have invested in almost 20 startup companies, mostly based in Maryland. Several of these investments participated in the Maryland Biotechnology Investment Incentive Tax Credit (BIITC) program.

I am providing this written testimony to support Senate Bill 826.

This bill will provide a critical boost to new, small, innovative Maryland business driving the emergent technologies of Artificial Intelligence (AI), Quantum Computing and Cybersecurity through its incentive for angel investors to invest in these Maryland startups. These tax credits represent an investment by the state of Maryland in high quality job creation and expanding the future tax base.

This bill is well structured, with many provisions to protect the state. It appears to be similarly structured to the BIITC programs which has proven popular with both Maryland startups and investors. This is a sound bill that will benefit many Marylanders for many years.

For these reasons, I respectfully request a favorable report on SB 826.

Respectfully

Quentin D. Smith
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testimony.pdf

Uploaded by: Taimur Aslam

Position: FAV

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

The CA Letterhead_SB 826.pdf

Uploaded by: Tasha Cornish

Position: FAV



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March 4, 2026

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

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

Dear Chair Guzzone and Members of the Committee,

I am writing to express my strong support for **Senate Bill 826**, which establishes an Angel Investor Tax Credit for investments in Maryland-based emergent technology companies. As a stakeholder in Maryland's economic future, I believe this legislation is a critical step in maintaining our state's competitive edge in the global technology landscape.

Maryland is home to some of the nation's most innovative minds, particularly in the fields of cybersecurity, artificial intelligence, and biotechnology. However, for these early-stage companies to move from the "idea" phase to "market-ready" solutions, they require significant injections of private capital. Historically, the "valley of death"—the gap between initial seed funding and later-stage venture capital—has been a hurdle for many promising Maryland startups.

Senate Bill 826 addresses this gap by:

- **De-risking Early Investments:** The 25% income tax credit provides a vital incentive for angel investors to deploy capital into high-risk, high-reward emergent technologies.
- **Retaining Local Talent:** By encouraging investment in "qualified Maryland companies," we ensure that our best and brightest entrepreneurs stay in Maryland rather than moving to other tech hubs with more aggressive incentive programs.
- **Fostering Innovation in Critical Sectors:** Specifically targeting "emergent technology" ensures that Maryland remains a leader in the infrastructure of the future, including the AI and cybersecurity tools necessary to protect our financial and social institutions.

This bill represents a prudent and targeted use of tax policy to stimulate private investment, create high-paying jobs, and expand the state's long-term tax base.

I respectfully urge the Budget and Taxation Committee to give **Senate Bill 826 a favorable report**. Thank you for your leadership and for your commitment to fostering a vibrant, tech-forward economy in Maryland.

Sincerely,

A handwritten signature in black ink that reads "Tasha L. Cornish".

Tasha Cornish
Executive Director
Cybersecurity Association, Inc.



SB826 - LOI.pdf

Uploaded by: Matthew Dudzic

Position: INFO



Letter of Information

Senate Bill 826 – Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology
Budget & Taxation Committee
March 4, 2026

The Comptroller of Maryland is respectfully submitting this letter of information regarding Senate Bill 826 – Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology. SB826 would revive the Innovation Investment Tax Credit as the Angel Investor Tax Credit and allow unused portions of the credit to be carried forward for up to five years.

Our office is currently in the process of migrating more than 3 million individual taxpayers from our legacy mainframe to our new integrated tax system, Maryland Tax Connect. This migration, currently scheduled for August 2026, is the largest and most complex phase of our years-long modernization project.

SB826 includes a recapture provision and will require tax system modifications to our 502CR and 500CR forms, in addition to updated forms, guidance, and instructions. In order to ensure a smooth migration to our new tax system, the Comptroller of Maryland respectfully requests that implementation of SB826 be delayed to July 1, 2027.

Thank you. If you have any questions, please reach out to Matthew Dudzic, Director of State Affairs, at MDudzic@marylandtaxes.gov.

