

HOW HB 1256 UNLOCKS PRIVATE CAPITAL

A Real World Example of Early Stage Investment Impact

THE STARTUP

- Maryland cybersecurity startup
- 3 founders
- Pre revenue
- Needs \$500,000
- Too early for venture capital
- Too risky for bank financing

Early stage capital is the hardest to secure.



INVESTOR DECISION

WITHOUT HB 1256:

Investor invests: \$200,000
Risk exposure: \$200,000
Full Risk: \$200,000

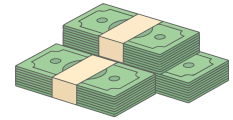
WITH HB 1256:

Investor invests: \$200,000
up to 33% tax credit: \$66,000
Effective risk: \$134,000

Risk \$134,000 **\$66,000**

Risk reduced by one third

WHAT HAPPENS NEXT



- \$500,000 total raised
- 4 Maryland engineers hired
- \$360,000 annual payroll
- Company remains and scales in Maryland

Private Capital → Jobs → Payroll → Tax Revenue

STATE FISCAL PERSPECTIVE: State issues: \$66,000 tax credit

Credit issued only after the investment is verified.

Potential Economic impact for Maryland:

- Income tax from new employees
- Corporate tax as company grows
- Local economic activity
- Future \$3M follow on investment

No investment → No credit

Performance based. Capped. Predictable.

HB 1256 SHARES LIMITED RISK TO UNLOCK PRIVATE CAPITAL AND GROW MARYLAND'S TAX BASE.