



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

DATE: March 24, 2026
BILL NO: Senate Bill 25
BILL TITLE: Income Tax – Cybersecurity Technology and Service Tax Credit - Alterations
COMMITTEE: House Ways and Means
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 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.

Commerce has been in conversations with members of the Committee regarding amendments to the crossfile, House Bill 290. The agency looks forward to continuing these conversations for Senate Bill 25.

Rationale:

The intent of the Buy Maryland Cybersecurity Tax Credit, as amended through this bill, 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.

SB 25 incorporates several recommendations DLS made in their evaluation of the program to remove barriers to utilization and increase activity levels in the program. Implementing the suggested DLS 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.