

WES MOORE
Governor

ARUNA MILLER
Lieutenant Governor



YAAKOV "JAKE" WEISSMANN
Secretary

MARC L. NICOLE
Deputy Secretary

TITLE: HB1128 Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology

DATE: March 5th, 2026

COMMITTEE: Ways and Means

POSITION: Letter of Concern

SUMMARY OF BILL: The bill would rename the Innovation Investment Incentive Tax Credit (IIITC) Program the Angel Investor Tax Credit Program and Reserve Fund, and alter the eligibility rules for the related (and also newly renamed) Angel Investor Tax Credit. If enacted, an eligible taxpayer who invests at least \$25,000 in a qualified Maryland company engaged in an emergent technology (e.g., artificial intelligence, quantum computing, or cybersecurity) could access a nonrefundable State income tax credit equal to 25% of the investment, with the per-investor tax credit capped at \$1.0 million annually. The bill requires the Governor to appropriate at least \$25.0 million annually to the reserve fund that supports the Angel Investor Tax Credit.

EXPLANATION: This bill increases annual general fund expenditures by \$25 million to fund the Angel Investor Tax Credit, but it does not make any offsetting reforms that would reduce state expenditures or increase state tax revenues.

Given the significant uncertainty in federal policy and the escalating fiscal shortfalls forecasted through Fiscal Year 2028, the Department urges caution against legislation that increases expenditures or diverts revenue without sustainable funding offsets. In light of the current fiscal crisis, the State must remain disciplined and strategic in its funding decisions to protect essential services for all Marylanders.

**For additional information, contact Dana Phillips at
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