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Spending Affordability Committee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

March 24, 2026

SB247

**Biotechnology Investment Incentive Tax Credit
Conversion to Grant Program**

Good afternoon Chairman Wilkins, Vice Chair Feldmark and Members of the Committee;

Thank you for the opportunity to present SB 247, Biotechnology Investment Incentive Tax Credit Conversion to Grant Program. SB 247 is the cross-file of HB 400 heard by this Committee on February 12th. SB247 modernizes Maryland's biotech investment incentive by simplifying access for individual investors, making the program more effective and competitive, and strengthening support for venture capital attraction to the state's growing life sciences sector. We worked with the Comptroller's Office and investors on the bill to convert BIITC to a **grant program**, removing structural barriers, providing faster and more reliable benefits to investors, and making Maryland a more compelling place for early-stage biotech funding.

Currently, BIITC operates as an income *tax credit*, meaning investors must file a Maryland tax return to benefit. Many investors — especially those new to Maryland life sciences — find the process opaque or difficult to navigate, and some simply don't claim the credit because the complexity dissuades them.

By converting the tax credit to a direct grant, SB247 ensures that the incentive reaches investors without requiring them to offset tax liability first. This shift makes the benefit available to a broader pool of investors — including those with little or no Maryland tax liabilities — which can lower barriers to participation. Grants can be disbursed directly by Commerce within a defined timeframe, in contrast to tax credits, whose value is realized only after tax filing and processing cycles.

Venture capital firms often make investment decisions based on certainty of returns and simplicity of incentives. A grant that is *quickly available and straightforward to access* is more attractive than a tax credit that depends on individual investor tax situations.

By making the state incentive more usable, SB247 can help **heighten Maryland's competitiveness** relative to other states that offer direct incentives or simpler investment programs. I appreciate your consideration of SB247 and respectfully request a favorable report on SB247.