



House Bill 1128 -- Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology
House Ways and Means Committee
March 5, 2026
Support

The Montgomery County Chamber of Commerce (MCCC), the voice of business in Metro Maryland, supports House Bill 1128 -- *Income Tax – Angel Investor Tax Credit for Investments in Emergent Technology*.

House Bill 1128 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 House Bill 1128 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.

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