



Maryland Business Innovation Association

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**TESTIMONY PRESENTED TO THE
BUDGET AND TAXATION COMMITTEE**

**SENATE BILL 160
CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT PROGRAM**

JANUARY 20, 2021

The Maryland Business Innovation Association (MBIA) was founded in 2002 to advance business incubation in Maryland. Representing a diverse group of 29 incubators, coworking spaces, and accelerator programs throughout the state, MBIA supports approximately 550 companies in both urban and rural areas. Since its inception, our member companies have generated nearly 12,000 jobs, making it equivalent to one of the state's largest employers. Accordingly, MBIA attempts to ensure that Maryland realizes the economic benefits from a number of strong technology sector bases. Our goal is to enrich the entire innovation ecosystem by providing industry resources, education, events, and programming to help our members better serve the needs of their unique communities and regions.

Responsible tax incentives play a key role in an economic development strategy to attract and retain technology-based businesses. Most policymakers, including members of State Legislatures, agree that tax incentives are an important and effective tool in a state's overall economic development toolkit. Simply put, tax incentives "level the playing field" and keep a state competitive with surrounding states. This is such the case with Maryland's existing Cybersecurity Investment Incentive Tax Credit Program. For this reason, we support extending the program until January 1, 2025. Without a robust tax incentive program, Maryland would struggle to compete in attraction and retention of businesses, jobs, and capital investment. Ultimately, these investments create additional employment opportunities for residents, who, in turn, support a healthy, growing economy. It should be our goal as a state to become a regional and national leader in retention and attraction of business. Therefore, expansion of this program to include other technology sectors increases the opportunities to achieve these goals.

Our Association and the future of innovation in Maryland depends on technology-based startups and entrepreneurs who take significant risks to start their companies. When startups succeed, they produce the most significant and generation-changing innovations that impact not just our state but the world. Providing the investment incentives this bill represents across a diversified spectrum of technology sectors enables this success.

For these reasons, we urge you to support Senate Bill 160.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Thielke", is written over a faint, larger version of the signature.

Michael M. Thielke

President, Board of Directors