



To Lead, Advocate and Connect as the Voice of Business

Senate Bill 246 - Income Tax - Angel Investor Tax Credit Program

Budget and Tax Committee

January 21, 2021

SUPPORT

Senate Bill 246 allows a credit against the State income tax for a certain percentage of an investment made in a qualified innovation business, not to exceed \$50,000, or \$100,000 for a qualified investor that is a married couple filing jointly or a pass-through entity.

The Chamber advocates for policies that promote strategic investment, a positive business climate and balanced tax reform to further the success of our members and to affirm Maryland's place as relevant and competitive in the regional and global marketplace. To compete, Maryland must retain existing businesses, encourage the formation of new businesses, and even attract businesses from other locations to come here. This helps to expand access to opportunities for our residents and grow the tax base through more jobs and greater economic activity.

One of the many challenges that businesses face is access to capital. Through programs such as the Angel Investor Tax Credit Program, capital can be put toward qualified entities to support their growth while, at the same time, giving the investor credit for the risk they are assuming.

In 2020, two reports were commissioned to analyze the future of economic development in Montgomery County and Metro Maryland. Both reports ([An Economic Roadmap to Recovery & Long-Term Success](#) and James Chung, "Montgomery County at a Crossroads") spoke to the immense need for future investments through Venture Capital and capital gains, particularly in our Biotech, Quantum Computing, and Hospitality sectors. Montgomery County, and thereby the state, could see investments comparable to Boston and Silicon Valley but the state must pass policies that support this investment. In sum, the Chamber supports efforts to encourage more business activity, in this case among emerging businesses, while at the same time offering a tax credit to those investors who help to provide much needed capital.

For the aforementioned reasons, **the Chamber supports Senate Bill 246 and respectfully urges a favorable report.**

The Montgomery County Chamber of Commerce (MCCC) accelerates the success of our nearly 500 members by advocating for increased business opportunities, strategic investment in infrastructure, and balanced tax reform to advance Metro Maryland as a regional, national, and global location for business success. Established in 1959, MCCC is an independent non-profit membership organization and is proud to be a Montgomery County Green Certified Business.