



Maryland Chamber of Commerce

Legislative Position

SB 64

SUPPORT

**Budget &
Taxation
Committee
1/27/10**

SB 64

Maryland Research and Development Tax Credit – Sunset Extension

Bill Summary: This bill would extend the sunset on the state Research and Development income tax credit from 2012 to 2021.

Chamber Position: The Maryland Chamber of Commerce supports this bill. The bill continues the R&D tax credit, which is a necessary tax incentive for Maryland to compete with other states in attracting and retaining manufacturing operations and high technology companies. As funding for DBED continues to decline, tax credits become an increasingly important tool for business location and retention. The credit is one of the few state incentives that directly benefits Maryland manufacturers.

At a time that Maryland is working hard to attract high paying technology and research jobs, the R&D tax credit must be extended. The fiscal note estimates that a majority of the companies that were awarded credits in tax year 2005 were headquartered in Maryland. The fiscal note also observes that “Lower taxes for these companies can both help spur growth at the companies and assist in the State’s ability to attract and retain these “high tech” companies.” The bill has no fiscal impact for FY 11 or FY 12. By law, total credits are capped at \$6 million annually.

For these reasons, we urge a favorable report for this bill.

Contact: Ronald W. Wineholt, rwineholt@mdchamber.org