



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE BUDGET & TAXATION COMMITTEE

SENATE BILL 570— INCOME TAX CREDIT - QUALIFIED RESEARCH AND DEVELOPMENT EXPENSES - CREDIT AMOUNTS

February 19, 2014

**DONALD C. FRY
PRESIDENT & CEO
GREATER BALTIMORE COMMITTEE**

Position: Support

The Greater Baltimore Committee (GBC) is an independent non-partisan regional business advocacy organization of more than 500 businesses—large, medium and small—educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford and Howard counties as well as Baltimore City. The GBC is a 59-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability as a region. It is an organization that prides itself on advocating for changes in public policies that strengthen the business climate while improving the quality of life in the region.

The Greater Baltimore Committee **supports** Senate Bill 570 – Income Tax Credit – Qualified Research and Development Expenses – Credit Amounts.

The GBC recognizes that investment in research and development is a significant driver of technological progress and economic growth. R&D tax credits support a strong economy by supporting business innovation and incentivizing companies that create and deliver new technologies to market.

SB 570 would move Maryland closer to meeting the real demand for R&D investment by increasing from \$8 million to \$10 million the aggregate amount of credits that the Department of Business and Economic Development (DBED) can approve in each calendar year.

In 2010 the Greater Baltimore Committee published *Gaining the Competitive Edge: Keys to Economic Growth and Job Creation in Maryland*, a report that names eight core pillars for a competitive business environment and job growth. One of the pillars deals specifically with state investments in business growth:

Strategic and effective state investments in business growth: The state must commit to substantive strategic investments, leveraged with capital assets, to nurture business and job growth. Investments should include competitive and effective tax credits, business development incentives, and tactical initiatives to nurture private investment in industry growth.

Senate Bill 570 is consistent with this pillar of economic growth and job creation and its passage would enhance opportunities for a significant number of companies in Maryland.

Given the high demand by Maryland businesses for increased R&D investment and more importantly, the economic benefits to the economy, the Greater Baltimore Committee requests a **favorable report of Senate Bill 570**.

GREATER BALTIMORE COMMITTEE

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