

POSITION STATEMENT

MC 5-10 -- Economic Development – Biotechnology Credit – County Supplement
Montgomery County Council
February 23, 2010
Support

The Tech Council of Maryland (TCM), a non-profit membership organization with over 500 technology and biotechnology member companies who employ more than 250,000 people in our region, strongly supports MC 5-10 -- *Economic Development – Biotechnology Credit – County Supplement*.

The unique Maryland state Biotech Tax Credit is model legislation that the Biotechnology Industry Organization, which represents biotech companies on the national level, has put forth for other states to consider. This tax credit provides incentives for early stage biotech companies to locate and grow in Maryland, and especially in Montgomery County where there is already a strong cluster of such companies. However, competition for the biotech industry and its high-paying jobs among other states remains fierce. Just across the river in Virginia, economic development leaders are also looking at biotech as a way to grow their economy. Virginia and virtually every other surrounding state wants to create biotech jobs because they see the average salary for someone employed at a Maryland biotech company is \$76,785.

The existing Maryland tax credit has been a great success in helping early stage biotech companies secure needed capital to grow their businesses. Starting a biotech company is very risky and capital intensive, so such incentives often are the difference between success and failure. It takes a number of years for a biotech company to go through its development stages before bringing a product to market. During this process, a biotech company typically requires significant investment to survive before products are brought to market and a profit can be realized. The business model is one of high risk and high reward. Incentives like the Biotech Tax Credit help nurture companies that create high-paying, family-supporting jobs that are vital to Maryland's long-term economic development efforts.

Again, the Tech Council of Maryland urges the Montgomery County Council to support MC 5-10.