

OFFICE OF FINANCE PROGRAMS
BUY MARYLAND CYBERSECURITY
TAX CREDIT PROGRAM

ANNUAL STATUS REPORT
TAX YEAR 2017
TAX-GENERAL ARTICLE

SECTION 10-733.1

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Buy Maryland Cybersecurity

The Buy Maryland Cybersecurity tax credit encourages qualified buyers (any entity that has fewer than 50 employees in the State and required to file an income tax return) to purchase cybersecurity technologies (products and goods) and/or services from a Qualified Maryland Cybersecurity Seller.

A single Qualified Maryland Cybersecurity Seller may have up to \$400,000 in cybersecurity sales benefit from the tax credit in a single tax year. Once an aggregate of \$200,000 in tax credits are claimed for the purchase of cybersecurity technologies (products and goods) and/or services from a single Qualified Maryland Cybersecurity Seller in a tax year, additional purchases from that Qualified Maryland Cybersecurity Seller in that tax year are not eligible for the tax credit.

An official list of Qualified Maryland Cybersecurity Sellers is posted on the Maryland Department of Commerce website. Eligible cybersecurity technologies are defined as products designed to detect and prevent unauthorized access to information systems, stored data, and information, and the transfer of data and information; data exfiltration or extrusion; or manipulation or impairment to the integrity, confidentiality, or availability of data and information stored or transferred by an information system. For eligible cybersecurity services, the Qualified Maryland Cybersecurity Seller must perform an activity identified by the National Institute of Standards and Technology's (NIST) Cybersecurity Framework.

Commerce certified **11** Qualified Maryland Cybersecurity Sellers during FY2019. **23** qualified buyers purchased \$133,670 of eligible cybersecurity technologies (products and goods), \$335,542 of eligible cybersecurity services, and \$1,434 of eligible cybersecurity third party purchases from **8** Qualified Maryland Cybersecurity Sellers. The total eligible cybersecurity technologies (products and goods), cybersecurity services and third party purchases totaled **\$470,646** in FY2019.

The name of the qualified buyer purchasing from a Qualified Maryland Cybersecurity Seller and the amount of final tax credits for which they were certified are included in the attached spreadsheet.