

~~Article - Insurance~~

~~Section 6 - 121~~

~~Annotated Code of Maryland~~

~~(2003 Replacement Volume and 2004 Supplement)~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

10-725.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "BIOTECHNOLOGY COMPANY" MEANS A COMPANY ORGANIZED FOR PROFIT THAT IS PRIMARILY ENGAGED IN THE RESEARCH, DEVELOPMENT, ~~AND OR~~ COMMERCIALIZATION OF INNOVATIVE AND PROPRIETARY TECHNOLOGY THAT COMPRISES, INTERACTS WITH, OR ANALYZES BIOLOGICAL MATERIAL INCLUDING BIOMOLECULES (DNA, RNA, OR PROTEIN), CELLS, TISSUES, OR ORGANS.

(3) "DEPARTMENT" MEANS THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT.

(4) (I) "INVESTMENT" MEANS THE CONTRIBUTION OF PROPERTY, AT A RISK OF LOSS, TO A QUALIFIED COMPANY IN EXCHANGE FOR STOCK, A PARTNERSHIP INTEREST, OR OTHER OWNERSHIP INTEREST IN THE QUALIFIED COMPANY.

(II) FOR PURPOSES OF THIS SECTION, AN INVESTMENT IS AT RISK OF LOSS WHEN ITS REPAYMENT ENTIRELY DEPENDS UPON THE SUCCESS OF THE BUSINESS OPERATIONS OF THE QUALIFIED COMPANY.

~~(5) "INVESTMENT ROUND" MEANS THE OFFERING OF INVESTMENT IN A BIOTECHNOLOGY COMPANY TO EXTERNAL INVESTORS.~~

~~(6) "INVESTOR" DOES NOT INCLUDE:~~

~~(I) AN INDIVIDUAL OR CORPORATION THAT, DIRECTLY OR INDIRECTLY, HOLDS OR CONTROLS AN OWNERSHIP INTEREST OF 10% OR MORE IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY; OR~~

~~(II) A PERSON RELATED, WITHIN THE MEANING OF § 267(B) OF THE INTERNAL REVENUE CODE, TO AN INDIVIDUAL OR CORPORATION DESCRIBED IN ITEM (I) OF THIS PARAGRAPH.~~

(7) (5) "QUALIFIED INVESTOR" MEANS AN INVESTOR THAT IS:

(I) AN INDIVIDUAL THAT INVESTS AT LEAST \$25,000 IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY; OR

(II) A CORPORATION THAT INVESTS AT LEAST \$250,000 IN A QUALIFIED MARYLAND BIOTECHNOLOGY COMPANY.