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8TH DISTRICT, MARYLAND

COMMITTEE ON  
WAYS AND MEANS

COMMITTEE ON OVERSIGHT AND  
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Dear Colleague:

As Thomas Friedman observed in his bestseller *The World Is Flat*, innovation, intellectual property and value-added products and services are going to be key determinants of America's economic strength in the 21<sup>st</sup> century. They will also be the source of tomorrow's breakthroughs and cures, as well as the kind of good paying American jobs all of us want to see in our recovering economy.

In order to drive innovation of national importance, and build a bridge across the infamous "valley of death" preventing so many of our entrepreneurs from bringing their innovations to market, I will soon be introducing the Innovative Technologies Investment Incentive Act of 2010, and I invite you to become an original cosponsor.

Modeled after Maryland's highly successful Biotechnology Investment Incentive Tax Credit Act and similar statutes in other states, the Innovative Technologies Investment Incentive Act of 2010 will:

- **ACCELERATE INNOVATION** by providing a 25% refundable tax credit for qualified equity investments in eligible high technology and biotechnology small business concerns.
- **INVEST IN QUALITY** by directing credit-qualified investments only to those small businesses that have met the federal government's rigorous requirements for receiving Small Business Innovation Research (SBIR) grant awards.
- **CONTROL COSTS** by establishing a per company cap for the Innovative Technology Investment Credit at the lesser of \$500,000 or one half the value of the receiving company's SBIR award. For example, under the Innovative Technologies Investment Incentive Act, if an eligible high technology or biotechnology company receives a \$500,000 Phase II grant award, it would then become eligible to attract up to \$1,000,000 of credit-qualified investment, for which its investors could claim \$250,000 in Innovative Technology Investment Tax Credits.
- **REWARD LONG TERM INVESTMENT** by requiring a holding period of at least three years for qualified investments.

By incentivizing meaningful investment in America's most innovative small companies, we can leverage private capital to create good paying American jobs and lay the foundation for our future prosperity.

For more information, or to become an original cosponsor of the Innovative Technology Investment Incentive Act of 2010, please contact Bill Parsons at 5-5343.

Sincerely,



CHRIS VAN HOLLEN  
Member of Congress