

Maryland Business Facts & Trends Report for 2026

PEOPLE.
BUSINESS.
OPPORTUNITY.

A current, source-based snapshot for Maryland business owners,
buyers, sellers and entrepreneurs.



PREPARED SEPTEMBER 2026
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Introduction

Business conditions are changing faster than ever. Advances in artificial intelligence, e-commerce, cybersecurity, automation, and digital technology continue to reshape how companies operate and compete.

For Maryland business owners and entrepreneurs, staying informed can provide a competitive advantage. The Maryland Business Facts & Trends Report for 2026 brings together current data and important trends to help business owners, buyers, sellers, and entrepreneurs make more informed decisions.

Small Business Facts

- Maryland has **696,710** small businesses, representing 99.6% of all businesses in the state.
- Small businesses employ approximately **1.2 million** Maryland workers, or **47.9%** of the state's employees.
- From March 2023 to March 2024, Maryland recorded **19,289** establishment openings and **17,008** closings, a net increase of **2,281** establishments.

Source: U.S. Small Business Administration – Maryland 2025 Small Business Profile

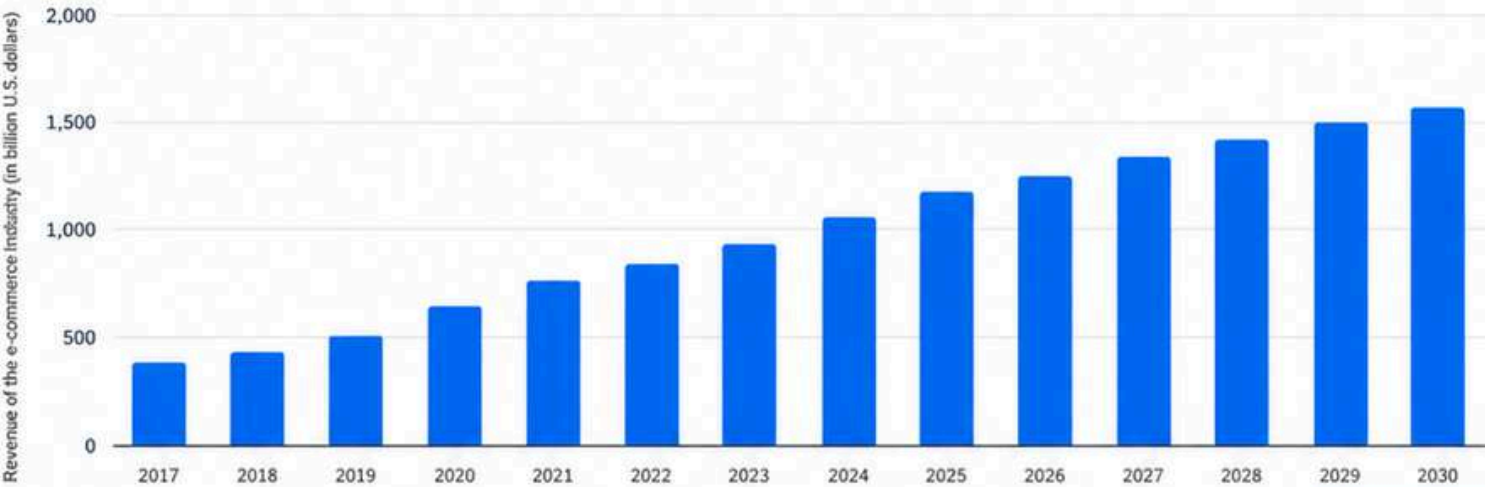


E-commerce

U.S. retail e-commerce sales reached **\$340.2 billion** in Q2 2026.
E-commerce accounted for **17.1%** of total U.S. retail sales in Q2 2026.
E-commerce sales increased **12.2%** compared with Q2 2025.

U.S. E-Commerce Revenue: Historical & Forecast

U.S. e-commerce industry revenue, 2017–2030 (in billion U.S. dollars, later years include forecasts)



Sources:
Statista Market Insights, Statista
© Statista 2026

Additional Information:
United States of America; From
01/01/2017 to 31/12/2030
(later years include forecasts)

E-Commerce in Maryland

TOP 5 MARYLAND INDUSTRIES BY NUMBER OF SMALL BUSINESSES



Based on the number of small businesses in Maryland (with and without employees)



E-Commerce & Logistics in Maryland

E-commerce continues to play an important role in Maryland’s economy, supporting jobs and businesses in transportation, warehousing, fulfillment, retail, and technology. Maryland’s location along the Northeast Corridor gives companies access to major consumer markets and transportation networks throughout the Mid-Atlantic. Amazon has made significant investments in Maryland’s logistics network. Maryland Department of Commerce records identify Amazon distribution-center projects in Baltimore City, Baltimore County, Cecil County, and Washington County, representing approximately 7,000 jobs among business-attraction projects tracked by the state.

Maryland’s Logistics Advantage

Maryland offers several advantages for e-commerce and distribution businesses, including access to major interstate highways, rail networks, airports, and the Port of Baltimore. Its location provides businesses with convenient access to large population centers throughout the Mid-Atlantic and Northeast. The growth of e-commerce also creates opportunities for Maryland small businesses beyond online retail. Transportation, warehousing, fulfillment, digital marketing, professional services, and technology companies all play a role in supporting the expanding digital economy.

Source: U.S. Small Business Administration, Office of Advocacy –2025 Maryland Small Business Profile
[View SBA 2025 Small Business Profiles](#)
Maryland Department of Commerce – New Business Attraction
[View Maryland Commerce New Business Attraction Report](#)

The Human Side of Business

Remote and hybrid work remain an important part of the workforce in 2026. The latest full-year data from the U.S. Bureau of Labor Statistics (BLS) show that millions of Americans continue to work from home, and Maryland has a higher rate of telework than the national average.

Flexibility gives people more control over their time, helps them manage personal responsibilities, and can lead to higher job satisfaction. At the same time, it allows businesses to access a wider talent pool and stay competitive in a changing economy.

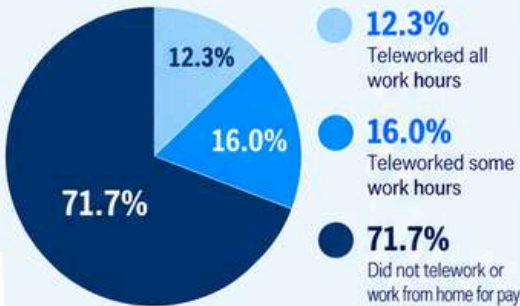


MARYLAND TELEWORK IN 2025

SHARE OF MARYLAND WORKERS



833,000 Maryland workers teleworked or worked from home for pay in 2025, representing 28.3% of persons at work in the state.



16.0% + 12.3% = 28.3%

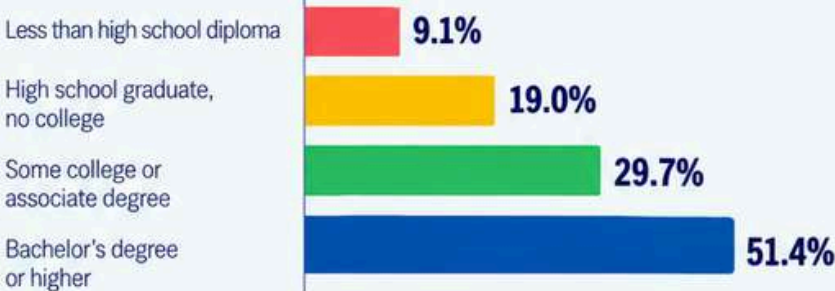
of Maryland workers teleworked or worked from home for pay.

U.S. REMOTE WORK IN 2025



WORK FROM HOME BY EDUCATION

Percentage of employed people age 25 and older who worked at home on days worked in 2025, by educational attainment (American Time Use Survey).



34.5%

of employed people worked at home on days they worked in 2025.



Note on data:

The American Time Use Survey (ATUS) measures people who worked at home on days they worked. This is different from the Current Population Survey (CPS) telework data, which measures people who teleworked or worked from home for pay.

Overall, 34.5% of employed people worked at home on days they worked in 2025. BLS notes that this ATUS measure differs from its CPS telework measure, so the 34.5% and 22.4% figures should not be presented as the same statistic.

Sources: U.S. Bureau of Labor Statistics, 2025 Annual Averages and American Time Use Survey – 2025 Results, released June 25, 2026.

Cybercrime Is a Threat to Small Business

Cyber Attacks

Cybercrime remains a serious risk for businesses of every size. The FBI continues to track cyber-enabled fraud and other internet crimes through its Internet Crime Complaint Center (IC3), while current breach research shows that attackers are increasingly exploiting software vulnerabilities, ransomware, stolen credentials, social engineering, and third-party systems.

Small and medium-sized businesses can be especially affected when an attack interrupts operations, exposes customer or employee information, compromises business accounts, or results in fraudulent payments. Business Email Compromise (BEC), for example, targets businesses and individuals involved in transferring funds and can use compromised business email accounts to redirect payments.



*Cybersecurity isn't just an IT issue.
It's a business survival issue.*

Cybersecurity Trends in 2026



31% of breaches analyzed in Verizon's 2026 Data Breach Investigations Report (DBIR) began with exploitation of software vulnerabilities, making it the leading initial breach vector.



48% of breaches analyzed involved ransomware, showing that ransomware continues to be a major threat to organizations.



48% of breaches involved a third party, showing that third-party and supply-chain risk is growing.



AI is changing cyberattacks.
Verizon reports that generative AI is being used to strengthen multiple attack techniques and accelerate activities such as identifying vulnerabilities.

4 Steps to Reduce Cyber Risk

- **1 PATCH SYSTEMS QUICKLY**
Keep operating systems, applications, firewalls, VPNs, and other internet-facing systems updated.
- **2 REQUIRE MFA**
Use multifactor authentication for email, financial accounts, remote access, and administrator accounts. CISA recommends phishing-resistant MFA where available.
- **3 TRAIN EMPLOYEES**
Teach employees to recognize phishing, suspicious links, fraudulent payment requests, and social-engineering attempts.
- **4 PREPARE FOR AN INCIDENT**
Maintain secure backups and an incident-response plan so the business can respond quickly if systems are compromised.

Sources: FBI Internet Crime Complaint Center (IC3), 2025 Annual Report; Verizon, 2026 Data Breach Investigations Report (DBIR); Cybersecurity and Infrastructure Security Agency (CISA), Small and Medium-Sized Business Resources.

Marketing

DIGITAL MARKETING TRENDS FOR MARYLAND BUSINESSES IN 2026

Maryland businesses operate in an increasingly digital marketplace. Websites, social media, email, search, online reviews, and AI-assisted marketing give businesses more ways to reach customers, build trust, and stay competitive.



Maryland Commerce uses websites, newsletters and email marketing, social media, advertising, publications, and other channels to promote Maryland's business community.



BUSINESS GROWS HERE.

How Customers Discover Small Businesses

Consumers increasingly move between social media, search engines, and websites when finding and learning about new businesses.



49%
of consumers worldwide use social media to find new small businesses.



40%
of consumers worldwide use search engines to find new small businesses.

AI & Content Marketing

AI is becoming a significant part of small-business marketing, helping owners create content, automate tasks, and reduce workloads.



87%
of U.S. small business owners are using AI in 2026.



40%
of small businesses globally use AI and automation to improve cost efficiency and reduce workload.



42%
of small businesses globally use AI for content creation such as emails and social posts.



50%
of small businesses globally say saving time is AI's biggest benefit.

Reviews Drive Trust

Online reviews continue to influence how consumers evaluate and choose local businesses.



85%
of U.S. consumers are more likely to use a business after positive reviews.



77%
of U.S. consumers are less likely to use a business after negative reviews.



54%
of U.S. consumers visit a business website after positive reviews.



66%
of U.S. consumers do further research after a positive review.



What It Means for Maryland Businesses

A multi-channel approach helps businesses stay visible and credible. Social media supports discovery, search and websites support research, reviews build trust, and AI can help streamline marketing work.

Note: Consumer and small-business percentages shown are based on U.S. and international research and are provided as broader marketing context for Maryland businesses. They are not Maryland-specific percentages.

Sources: Constant Contact, Small Business Now Report Q2 2026; BrightLocal, Local Consumer Review Survey 2026.

10 Major Companies Headquartered in Maryland

Maryland is home to major companies across aerospace and defense, hospitality, energy, insurance, financial services, food, apparel, networking technology, biotechnology, and lodging. These companies demonstrate the diversity of Maryland's corporate and economic landscape.



Maryland's corporate base spans globally competitive industries, from defense and hospitality to energy, finance, life sciences and technology.



Lockheed Martin

Bethesda, Maryland
Aerospace & Defense
Approximately 121,000 employees worldwide and \$75.0 billion in 2025 net sales.



McCormick & Company

Hunt Valley, Maryland
Food & Flavor
2025 revenue approximately \$6.8 billion.



Marriott International

Bethesda, Maryland
Hospitality
Global headquarters is in downtown Bethesda.



Under Armour

Baltimore, Maryland
Athletic Apparel
2025 revenue approximately \$5.0 billion.



Constellation Energy

Baltimore, Maryland
Energy
Headquarters in Baltimore. Fortune 200 company with 16,500+ employees.



Ciena

Hanover, Maryland
Networking Technology
A global provider of networking systems, services and software.



GEICO

Bethesda, Maryland
Insurance
Officially relocated headquarters to 7272 Wisconsin Avenue, downtown Bethesda in June 2026.



United Therapeutics

Silver Spring, Maryland (Co-Corporate Headquarters)
Biotechnology
A global biotechnology company focused on cardiopulmonary diseases.



T. Rowe Price Group

Baltimore, Maryland
Investment Management
2025 revenue approximately \$7.3 billion.



Choice Hotels International

North Bethesda, Maryland
Hospitality / Franchising
One of the world's largest lodging franchisors, with thousands of hotels globally.

Source: Maryland State Archives; Maryland Department of Commerce; company information and 2025–2026 public reporting.

Fastest-Growing Companies in Maryland

2026 INC. 5000

Maryland continues to be home to innovative, high-growth companies that are creating jobs, driving investment, and strengthening the state’s economy.



120

Maryland businesses made the 2026 Inc. 5000.



Maryland companies on the list had a median three-year growth rate of **116%** from 2022–2025, with an overall average of nearly **300%**.



Nine

Maryland companies ranked among the **top 500** nationally.



Montgomery County had the most Maryland companies on the list, followed by **Howard** and **Anne Arundel** counties.

MARYLAND COMPANIES IN THE NATIONAL TOP 500

Company	National Rank	Three-Year Growth (2022–2025)	Industry	Location
InSite BUILD	#28	8,266%	Construction	Salisbury
UpshiftHR	#104	2,670%	Human Resources	Burtonsville
Polished Technologies	#105	2,666%	IT Services	Chevy Chase
MDRN Capital	#371	946%	Financial Services	Annapolis
DCM Insights	#431	815%	Business & Corporate Services	Silver Spring
Hyertek	#456	757%	IT Services	Rockville
Home Genius Exteriors	#465	739%	Construction	Hyattsville
Missionovo	#489	706%	IT Services	Bethesda
Ibility	#493	695%	Government Services	Gaithersburg



#28 NATIONALLY

8,266% GROWTH

Maryland's highest-ranked company on the 2026 list.

"Maryland's entrepreneurs are building solutions, creating opportunity, and making a global impact."



A STRONGER TOMORROW

From construction and technology to financial services and life sciences, Maryland's fastest-growing companies reflect a diverse and resilient economy with a bright future.



Source: Maryland State Archives; Maryland Department of Commerce; company information and 2025–2026 public reporting.

Maryland Firsts

Maryland has played a pioneering role in American history, with several milestones that helped shape the nation.



1830

First railroad station
Mount Clare Station was established in Baltimore in 1830, recognized by the Maryland State Archives as the first railroad station in the United States.



1840

First dental school
The Baltimore College of Dental Surgery was founded in Baltimore in 1840, making it the world's first dental college.



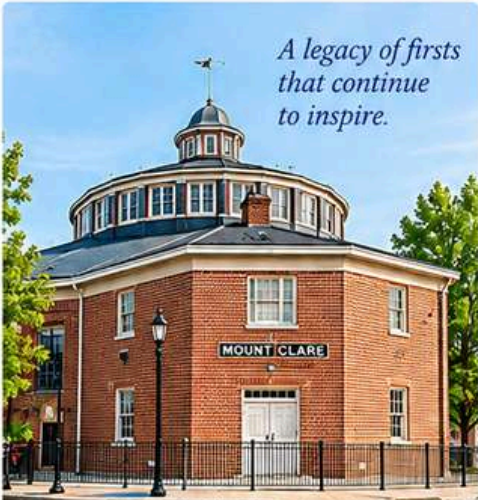
1844

First telegraph
Samuel F. B. Morse demonstrated the telegraph line and sent the first telegraph message from Washington, D.C. to Mount Clare Train Station in Baltimore in 1844.



1845

U.S. Naval Academy
The U.S. Naval Academy was founded at Annapolis in 1845, becoming the first naval academy in the United States.

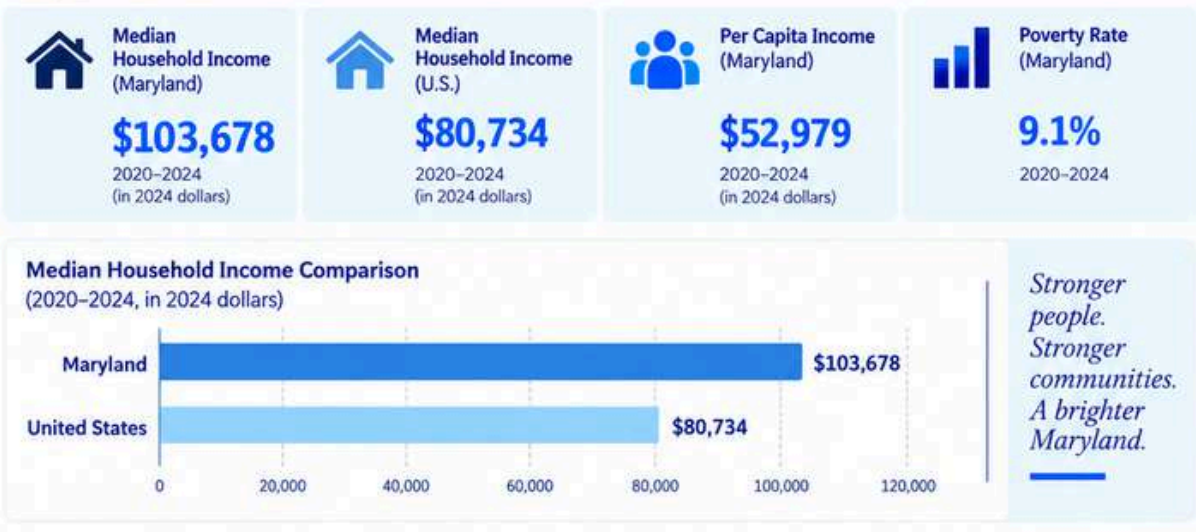


A legacy of firsts that continue to inspire.

Mount Clare Station
Baltimore, Maryland
First railroad station in the United States (1830)

Maryland Household Income

Maryland's median household income remains well above the national median. The latest U.S. Census Bureau QuickFacts estimate for 2020–2024 puts Maryland's median household income at \$103,678, compared with \$80,734 nationwide.



Sources: U.S. Census Bureau QuickFacts, 2020–2024; Maryland State Archives, Maryland Historical Chronology.

Maryland Commercial Real Estate Facts

Commercial real estate conditions across the Baltimore metropolitan area vary by property type in 2026. In Q2, retail recorded positive net absorption, while office, industrial flex, and warehouse recorded negative net absorption.

PROPERTY TYPE	OCCUPANCY	RENTAL RATE (Per SF)	NET ABSORPTION (Q2 2026)
 Office	86% occupied	\$26 per SF	-41,571 SF
 Industrial Flex	92% occupied	\$16 per SF	-115,329 SF
 Warehouse	89% occupied	\$10 per SF	-94,219 SF
 Retail	93% occupied	\$26 per SF	+39,102 SF

2026 Market Takeaways

- 1

Office occupancy is **86%** in Q2 2026.
- 2

Industrial flex is **92%** occupied in Q2 2026.
- 3

Warehouse is **89%** occupied in Q2 2026.
- 4

Retail is **93%** occupied and recorded positive net absorption in Q2 2026.

Market: Baltimore Metropolitan Statistical Area (MSA), Q2 2026.

Note: These statistics represent the Baltimore MSA, not statewide Maryland.



Thriving communities create stronger opportunities.

BUSINESS
PEOPLE
PLACES
POSSIBILITIES

Source: MacKenzie Commercial Real Estate, Quarterly Market Report, Baltimore MSA, Q2 2026.

Maryland Population Growth

Maryland continues to grow, but at a moderate pace. The state’s population has increased since 2010 and remains one of the most populous states on the East Coast, supported by a strong economy, diverse communities, and quality of life.



Latest Population Estimate

6.27 MILLION

July 1, 2025
(6,265,347)



+1.4%

since April 1, 2020
estimates base
(6,181,640 to 6,265,347)



645.2

people per square mile
in 2025

Maryland Population Growth



Year	Population	Category
2010	5,773,552	Census / Estimate (Observed)
2020	6,177,224	Census / Estimate (Observed)
2025	6,265,347	Census / Estimate (Observed)
2030	6,492,470	Planning Projections (Preliminary, Mar 2025)
2040	6,863,910	Planning Projections (Preliminary, Mar 2025)
2050	7,191,870	Planning Projections (Preliminary, Mar 2025)
2055	7,341,680	Planning Projections (Preliminary, Mar 2025)

Population Snapshot (2025 Estimate)



21.3%

Persons under
age 18



18.4%

Persons age 65
and over



51.9%

Female persons



Key Takeaway

Maryland’s population in 2025 (6,265,347) is about 492,000 higher than it was in 2010 (5,773,552), showing steady growth over the past 15 years.

Population Projections

(Maryland Department of Planning, Preliminary, March 2025)

Year	Projected Total Population
2030	6,492,470
2040	6,863,910
2050	7,191,870
2055	7,341,680

Note: These are preliminary projections from the Maryland Department of Planning and are not Census estimates.

Growing Communities

(Preliminary Projections)



Frederick County

Projected total population

2025	299,390
2030	322,980



Howard County

Projected household population

2025	342,280
2030	355,920

People.
Communities.
Opportunity.
A brighter
Maryland.



Sources: U.S. Census Bureau, QuickFacts: Maryland, 2025 Population Estimates; Maryland Department of Planning, Maryland State Data Center, Population and Household Projections.

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Maryland Business Ownership & Entrepreneurship

Maryland’s small-business community reflects a wide range of owners, industries, and backgrounds. From main street shops to high-growth startups, entrepreneurs are driving job creation, innovation, and opportunity across the state. Looking to start, grow, or buy a business in Maryland? Explore expert business advisory services at [BizProfitPro](#) to help you make informed decisions and plan for long-term success.

Business Ownership in Maryland

Maryland’s entrepreneurs come from diverse backgrounds, contributing to a more innovative and inclusive economy.



Small Businesses Drive Maryland’s Economy

Small businesses are the backbone of Maryland’s economy, making up nearly all businesses in the state and employing a significant share of the workforce.



Entrepreneurship & Business Activity

Maryland continues to see strong business dynamism. Between March 2023 and March 2024, the state recorded:



Source: U.S. Small Business Administration, Office of Advocacy, Maryland 2025 Small Business Profile.

Maryland's Strategic Growth Industries

Maryland is concentrating economic-development efforts on industries where the state has established research, technology, workforce, and business strengths. The DECADE Act of 2026 emphasizes information technology, life sciences, and aerospace and defense as key areas for continued investment and growth.

Key Strategic Industries

ORTUNITY



ARTIFICIAL INTELLIGENCE & IT

AI, software, data, cybersecurity, and emerging digital technologies are becoming increasingly important to Maryland's innovation economy.



LIFE SCIENCES

Maryland's life sciences ecosystem includes biotechnology, pharmaceuticals, medical technology, digital health, manufacturing, and related services. Maryland Commerce's directory includes more than 1,800 profiles.



AEROSPACE & DEFENSE

Aerospace, aviation, unmanned systems, defense technology, and advanced engineering remain major areas of focus for Maryland's economy.



CYBERSECURITY

Maryland identifies cybersecurity as a strategic industry, supported by a strong ecosystem of government, private sector, and academic partners.



QUANTUM TECHNOLOGY

Quantum technology is a growing area of opportunity for Maryland, with research, workforce, and commercialization initiatives supported by the state.



ADVANCED MANUFACTURING

Advanced manufacturing connects Maryland's strengths in aerospace, biotechnology, robotics, energy, electronics, and other technology-intensive industries.

2026 Maryland Focus

BUILDING ON STRENGTHS. CREATING WHAT'S NEXT.



IT + AI

Quantum, artificial intelligence, cybersecurity and digital innovation.



LIFE SCIENCES

Biotechnology, computational health, medical technology and pharmaceuticals.



AEROSPACE + DEFENSE

Aviation, aerospace engineering, defense technology and advanced systems.

Sources: Maryland Department of Commerce, DECADE Act of 2026; Maryland Aerospace & Technology Commission, 2025 Annual Report; Maryland Build Our Future Grant Program.

Maryland Business Funding & Incentives

Maryland businesses have access to state financing programs designed to support startup costs, expansion, innovation, equipment purchases, working capital, and job creation. Maryland Commerce and DHCD offer loans, grants, and other financing resources to help businesses across the state grow and succeed.

2026 Funding Opportunities

FINANCING | INNOVATION | EXPANSION | STRONGER COMMUNITIES



\$14M

2026 Direct Loan Round Small Business Direct Loans

- Up to \$2 million per business
- Fixed 4% interest rate
- Terms up to 30 years
- First 2026 competitive round has \$14 million and opened August 17, 2026.



UP TO \$5M

Small Business Companion Loans

- Up to \$5 million
- Fixed 4% interest rate
- Terms up to 30 years
- Requires at least a 1:1 private lender match.



NEARLY \$7M

FY2026 Build Our Future Grants

- Nearly \$7 million awarded in FY2026 for innovation infrastructure.
- Matching grants up to \$2 million.
- Supports technology and innovation-based businesses.



UP TO \$150K

Maryland Economic Adjustment Fund (MEAF)

- Loans up to \$150,000
- For qualifying small and underserved businesses with fewer than 50 employees.
- Can be used for working capital, equipment, renovations, real estate and expansion.
- Applications are currently being accepted.

More Ways Maryland Supports Business

PEOPLE | IDEAS | INVESTMENT | OPPORTUNITY



Own Your Future Finance Your Next Chapter

- Up to \$5 million
- Fixed 4% interest rate
- Terms up to 30 years
- For eligible owner-occupied commercial property acquisition, construction, renovation or expansion.



Maryland Small Business Development Financing Authority (MSBDFa)

- \$3 million in financial assistance announced May 28, 2026.
- Expected to support 72 new jobs and retain 28 jobs.
- Maryland is approved to administer up to \$198 million in federal SBCI assistance through MSBDFa.



Funding Can Support A Stronger Tomorrow

- Working Capital
- Equipment
- Real Estate
- Startup and Expansion
- Innovation
- Job Creation



MARYLAND MEANS BUSINESS

**Resources today.
A stronger tomorrow.**



Investing in Maryland businesses builds stronger communities across the state.

Sources: Maryland Department of Commerce, Funding & Incentives; Maryland Department of Housing and Community Development, Business Lending, 2026.

2026 Business Outlook & Key Takeaways

Maryland businesses are operating in a changing economy shaped by technology, workforce trends, population growth, cybersecurity risk, digital commerce, and new investment. The strongest opportunities will come from businesses that adapt quickly, protect their operations, and invest strategically for long-term growth.



Thriving
Businesses.
Stronger
Communities.
A Brighter
Maryland.

1



Small Business Remains Essential

Maryland has 696,710 small businesses according to the U.S. Small Business Administration's 2025 Maryland Small Business Profile. These businesses are a key driver of jobs, innovation, and economic growth across the state.

2



Technology Is Reshaping Business

The U.S. Census Bureau's Business Trends and Outlook Survey released 2026 AI adoption data, showing that AI use varies by industry, geography, and firm size. Businesses are using AI across a wide range of tasks and work processes to improve efficiency and competitiveness.

3



Cybersecurity Is a Business Priority

The Maryland Department of Commerce provides small business cybersecurity resilience resources, including employee training, security scans, and mitigation support. Cyber preparedness is essential to protect business operations and ensure long-term resilience.

4



Growth Industries Are a State Priority

Maryland's 2026 DECADE Act focuses economic development on information technology, life sciences, and aerospace and defense. The Maryland Department of Commerce also identifies cybersecurity, AI, advanced manufacturing, biotechnology, and quantum as key innovation strengths for the state.

5



Capital and Support Are Expanding

In 2026, Maryland announced \$3 million in assistance for small and minority-owned businesses. The Department of Housing and Community Development (DHCD) also launched a Small Business Lending Program, including a \$14 million competitive round for direct loans to support business growth.

6



Population Continues to Grow

The Maryland Department of Planning provides current population estimates for 2025 (updated in 2026), showing steady, moderate growth. A growing population supports business activity, a strong labor force, and continued demand across industries and communities.

7



Adaptability Creates Opportunity

Businesses that closely monitor customer needs, manage costs, use technology responsibly, strengthen cybersecurity, and plan for changing workforce and market conditions will be better positioned to compete and seize new opportunities in 2026 and beyond.



LOOKING AHEAD

Maryland's economy combines established industries with emerging opportunities. For business owners, entrepreneurs, buyers, and sellers, informed decisions and disciplined planning remain essential.

2026 Maryland Focus



INNOVATION
New solutions
for real progress.



RESILIENCE
Stronger businesses
and communities.



GROWTH
A brighter
Maryland ahead.

Sources: U.S. Census Bureau, Business Trends and Outlook Survey, 2026; U.S. Small Business Administration, Maryland 2025 Small Business Profile; Maryland Department of Commerce; Maryland Department of Planning, Maryland State Data Center.

Maryland Business Entity Structuring & SDAT Navigation

Choosing the right business structure and staying compliant with Maryland’s filing requirements are essential for long-term success. The right entity can reduce taxes, limit liability, and support growth. This page compares business structures, tax treatments, SDAT compliance, and local licensing requirements. Need guidance? [Schedule a consultation with BizProfitPro](#) to explore your options.

Entity & Tax Treatment Comparison

KEY CONSIDERATIONS	 LLC (Limited Liability Company)	 S-CORP (S Corporation Election) ¹	 C-CORP (C Corporation)
Liability Protection	Yes, personal assets protected	Yes, personal assets protected	Yes, personal assets protected
Ownership Structure	Flexible (single or multi-member)	U.S. shareholders only (up to 100)	Unlimited shareholders (domestic or foreign)
Federal Tax Treatment	Pass-through taxation by default (can elect S-Corp or C-Corp taxation)	Pass-through taxation (requires IRS election)	Separate corporate taxation (potential for double taxation)
Maryland Income Tax Treatment	Generally pass-through; treatment depends on federal tax classification and Maryland rules.	Generally pass-through to shareholders; Maryland PTE rules may apply.	8.25% Maryland corporate income tax rate.
Best For	Small to mid-sized businesses, flexibility in management	Eligible businesses seeking pass-through taxation and an S-Corporation election.	Larger businesses, multiple shareholders, or plans to raise venture capital
Key Considerations	Flexible, simple, popular for small businesses	Shareholder and stock class restrictions	More complex, higher compliance costs, but better for attracting investors

Note: An LLC is a legal entity and can elect to be taxed as an S Corporation or C Corporation for federal (and Maryland) tax purposes. Each business’s situation is different. Consult a qualified professional for personalized advice.

3-Step Compliance Flow

1



Entity Formation

- Choose the appropriate legal entity and tax treatment.
- File Articles of Organization (LLC) or Articles of Incorporation (Corp) with the Maryland SDAT.
- Pay required state filing fees.

2



SDAT Filing

- File the Annual Report with SDAT each year (due April 15, 2026; 60-day extension available).
- File Annual Personal Property Return if applicable.
- Maintain good standing to avoid penalties or administrative dissolution.

3



Local Business License Issuance

- Obtain required local licenses and permits from your county or municipality.
- Meet zoning, health, and other industry-specific requirements.
- Renew licenses as required.

Navigating Maryland SDAT



-  **2026 Annual Report Deadline:** April 15, 2026 (60-day extension available).
-  **Annual Personal Property Return:** Required for businesses that own or lease qualifying property (e.g., furniture, equipment, machinery).
-  **Good Standing:** Keep filings and fees current to maintain good standing with the state.
-  **Common Filing Traps:** Missing deadlines, incorrect registered agent information, and failure to file a personal property return.

Local County Licensing Requirements

COUNTY	BUSINESS LICENSE	KEY REQUIREMENTS
Montgomery County	Required for most businesses	- Register with Montgomery County Department of Finance - Zoning and land use approvals may apply - Industry-specific permits (e.g., food, healthcare, childcare)
Anne Arundel County	Required for most businesses	- Apply through the Office of Planning and Zoning - Home-based business regulations - Additional permits for certain industries (e.g., food service, contracting)
Baltimore County	Required for most businesses	- Register with Baltimore County Department of Permits, Approvals and Inspections - Zoning review and occupancy permits - Industry-specific licenses as required

Sources: Maryland State Department of Assessments and Taxation (SDAT) – Business Services | Maryland Comptroller – Business Tax Information | County Government Websites: Montgomery County | Anne Arundel County | Baltimore County

Lower-Middle Market & Main Street M&A Landscape

Maryland's business-for-sale market reflects local transaction activity and national M&A trends. Baltimore-Towson data highlights regional sales, while national benchmarks provide insight into buyer demand and deal activity. Planning to buy or sell a business in Maryland? [Schedule a consultation with BizProfitPro](#) to discuss your next steps.

Baltimore-Towson M&A Market Snapshot (2025)



Buyer Mix by Deal Size

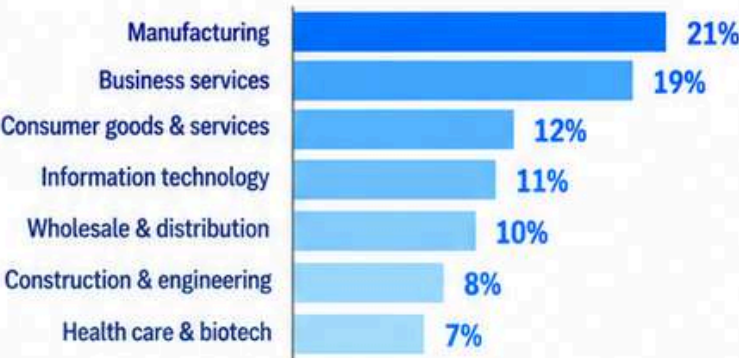
National broker survey, 2025 (deals \$5M – \$50M)



Note: Percentages may not total 100% due to rounding.

Private Business Transactions by Industry

National investment-banker survey, 2025



Note: Remaining industry categories omitted for space.

Median Listing-to-Close by Deal Size

National broker survey, 2025



Median LOI/offer-to-close: 2–4 months, depending on deal size.

Ownership Transition: Montgomery County



Note: Montgomery County data, not statewide Maryland.

Sources: BizBuySell 2025 Insight Report Data Tables; Pepperdine Private Capital Markets Report 2025; Project Equity, Montgomery County Maryland.

Valuation Multiples & Pricing Benchmarks

Valuation multiples vary by industry, size, and risk. Understanding Seller’s Discretionary Earnings (SDE), Adjusted EBITDA, and market benchmarks helps Maryland business owners set realistic expectations and prepare for a successful sale. Want to know what your business is worth? [Schedule a consultation with BizProfitPro](#) to discuss your valuation and exit strategy.

Seller’s Discretionary Earnings (SDE)



Used for smaller, owner-operated businesses (typically Main Street businesses).
SDE represents the total financial benefit available to a single owner-operator. It includes net income plus owner benefits and discretionary expenses (e.g., salary, bonuses, personal expenses, non-recurring costs). SDE is commonly used to value small, closely held businesses.

Adjusted EBITDA



Used for larger, lower-middle market businesses (typically \$1M – \$5M+ cash flow).
Adjusted EBITDA represents the company’s earnings before interest, taxes, depreciation, and amortization, with adjustments for one-time or non-recurring items. It is the standard metric for larger, more complex businesses with multiple owners, management teams, or institutional buyers.

2025 National Small-Business Valuation Benchmarks

Average cash flow/earnings multiples from transactions reported to BizBuySell (2025). These are national averages, not Maryland-specific figures.

INDUSTRY SECTOR (All Business Sizes)	AVERAGE MULTIPLE (2025)	METRIC
All Businesses	2.61x	SDE / EBITDA
Service Businesses	2.72x	SDE / EBITDA
Construction	2.71x	SDE / EBITDA
Healthcare	2.76x	SDE / EBITDA
Manufacturing	3.07x	SDE / EBITDA
Online & Technology	3.25x	SDE / EBITDA
Retail	2.72x	SDE / EBITDA

Multiples by Deal Size

Average transaction multiples from the IBBA/M&A Source Market Pulse Report (Q4 2025). These are national averages, not Maryland-specific figures.

DEAL SIZE RANGE	AVERAGE MULTIPLE (Q4 2025)	METRIC
Under \$500K	2.0x	SDE
\$500K – \$1M	3.0x	SDE
\$1M – \$2M	3.1x	SDE
\$2M – \$5M	4.1x	EBITDA
\$5M – \$50M	5.5x	EBITDA

Note: According to IBBA, deals below \$2M are typically reflected as SDE multiples, while deals from \$2M to \$50M are typically reflected as EBITDA multiples.



Baltimore-Towson, MD (2025)
2.30x average cash-flow multiple
72 reported sales
From BizBuySell-reported transactions in the Baltimore-Towson, MD market (2025). Represents reported platform transactions, not the entire Maryland market.

Key Value Drivers

Factors that can increase the value of a business.



Recurring or contracted revenue
Long-term contracts and recurring revenue streams.



Diversified customer base
Broader customer mix reduces risk and can increase value.



Capable management team
Experienced and stable management increases transferability.



Proprietary processes and intellectual property
Unique products, services, systems, or technology drive higher value.



Consistent financial performance
Revenue and profit growth with healthy margins.



Clean financial records
Accurate, organized, and audited/CPA-prepared financial statements.

Factors That Can Reduce Value

Issues that can negatively impact valuation.



Material customer concentration
High reliance on a single customer or a few customers.



Owner dependence
Business is overly dependent on the current owner.



Declining revenue or margins
Negative or inconsistent financial performance.



Undocumented processes
Lack of documented systems, procedures, or key personnel.



Legal, regulatory, or environmental issues
Pending or potential liabilities.



Weak financial records or excessive add-backs
Inaccurate records or non-recurring adjustments that are not well supported.

Sources: BizBuySell, 2025 Insight Report & Data Tables; IBBA/M&A Source, Market Pulse Q4 2025.

Acquisition Financing: SBA 7(a), 504, & Seller Debt

SBA loans, state programs, commercial financing, and seller debt offer different ways to fund business acquisitions in Maryland. Understanding these options helps buyers structure competitive offers and sellers negotiate flexible terms. Need help financing a business purchase? [Schedule a consultation with BizProfitPro](#) to explore your acquisition strategy.

Financing Options Overview



SBA 7(a) Acquisition Loans

- Can finance a change of ownership, working capital, equipment and real estate
- Maximum loan amount: \$5 million
- Typically 10 years or less (for acquisitions), with real estate portions up to 25 years
- Minimum 10% equity injection for Initial Acquisition (cannot be reduced or eliminated)
- Competitive fixed or variable rates
- Lender and SBA fees apply



SBA 504 Financing

- Used for major fixed assets such as owner-occupied real estate and equipment
- Not for business goodwill or general working capital
- Maximum 504 loan amount: \$5.5 million
- Typically 10% down payment (usually 10%–20%), subject to underwriting
- Structure may include a senior lender, CDC/SBA-backed portion, and borrower contribution
- Long-term, fixed rates



Maryland State Programs

- DHCD Small Business Lending**
 - Direct Loans up to \$2 million
 - Companion Loans up to \$5 million
 - 4% fixed interest rate
 - Terms up to 30 years
 - Companion loans require a minimum 1:1 private capital match
- MSBDFA Loan Programs**
Offers multiple financing and bonding tools, including financing that may support the purchase of an existing business, subject to eligibility and availability.
- Can be combined with SBA and commercial bank financing

Illustrative SBA 7(a) Acquisition Structure

Example for a \$1,000,000 business acquisition (for illustration only)



Note: This is an illustrative example only. Actual capital structures vary based on the business, seller, industry, and lender requirements. A seller note may count toward the required equity injection only when subordinated and on full standby with no principal or interest payments for the term of the 7(a) loan and subject to SBA rules. Limited sources in aggregate may provide no more than 50% of the required equity injection.

Key 2026 SBA 7(a) Acquisition Rules



Minimum 10% equity injection
For an Initial Acquisition, the buyer must inject at least 10% of the total project cost. This requirement cannot be reduced or eliminated.



Debt service coverage ratio (DSCR)
For Initial Acquisitions under SOP 8.1, historical or adjusted historical DSCR must generally be at least 1.25x.



Seller note as equity
A seller note may count toward the required equity only when it is subordinated and on full standby with no principal or interest payments for the term of the 7(a) loan.



Limited equity sources
Limited sources in aggregate may provide no more than 50% of the required equity injection.



Quality of Earnings (QoE) report
A lender-benefit QoE report is required for qualifying Initial Acquisition and Business Expansion transactions with a business purchase price of \$3 million or more, excluding owner-occupied real estate.



Seller earnouts prohibited
Seller earnouts are not allowed in SBA 7(a) changes of ownership.



Earnouts are prohibited
Seller earnouts are not allowed in SBA 7(a) changes of ownership under SOP 50 10 8.1 (effective October 1, 2026).

Seller Notes & SBA Structuring



- A seller note can help bridge valuation gaps and reduce the buyer's immediate cash requirements.
- To count toward required equity, it must be subordinated and on full standby with no principal or interest payments for the term of the 7(a) loan.
- Limited sources in aggregate may provide no more than 50% of the required equity injection.



Sources: U.S. Small Business Administration, SOP 50 10 8.1 (effective Oct. 1, 2026), SBA 7(a) and CDC/504 program guidance; Maryland DHCD Business Lending; Maryland Department of Commerce, MSBDFA.

The Maryland Due Diligence Playbook

Thorough due diligence helps buyers evaluate financial performance, legal compliance, operations, and transaction risks. A structured approach supports informed decisions and smoother business acquisitions. Buying or selling a business in Maryland? Explore expert guidance and business advisory services at [BizProfitPro](https://bizprofitpro.com) to navigate the process with confidence.

The 4 Key Areas of Due Diligence



Financial Due Diligence

Review the financial performance and quality of earnings.

- ✓ Review historical tax returns and financial statements
- ✓ Analyze quality of earnings (QoE) when appropriate
- ✓ Substantiate add-backs and non-recurring expenses
- ✓ Review working capital and cash flow
- ✓ Analyze accounts receivable and accounts payable aging
- ✓ Identify debt, liens, and contingent liabilities



Legal & Regulatory

Confirm compliance and identify potential legal and tax risks.

- ✓ Verify Maryland SDAT entity status and good standing (Certificate of Status confirms required documents and fees have been received and no government agency has notified SDAT of delinquent taxes)
- ✓ Maryland Comptroller tax status, bulk-sale and applicable sales/use tax review (a 6% sales and use tax generally applies to taxable tangible personal property and digital products in a business purchase unless an exemption applies)
- ✓ Review contracts, licenses, and permits
- ✓ Lease assignment and transferability
- ✓ Litigation, claims, and regulatory issues
- ✓ Intellectual property (trademarks, patents, copyrights)
- ✓ Employment and HR compliance



**DUE
DILIGENCE**



Operational Due Diligence

Assess day-to-day operations and business continuity.

- ✓ Key employee retention and dependencies
- ✓ Customer contracts and concentration risk
- ✓ Supplier agreements and dependencies
- ✓ Equipment condition and maintenance
- ✓ Inventory review (if applicable)
- ✓ IT systems, cybersecurity, and data security
- ✓ Documented standard operating procedures (SOPs)



Commercial Due Diligence

Validate the market, customers, and growth opportunities.

- ✓ Customer concentration and retention risk
- ✓ Market and industry analysis
- ✓ Sales pipeline and backlog
- ✓ Competitive landscape
- ✓ Pricing, margins, and profitability trends
- ✓ Geographic and market expansion opportunities
- ✓ Synergies and post-acquisition integration considerations

Due Diligence Process Timeline

Illustrative process only. Timing and steps may vary by deal.



Common Red Flags



- Inconsistent financial records
- Unrealistic or unsupported add-backs
- Declining revenue or margins
- Material customer concentration
- Key-person dependency
- Pending litigation or tax issues
- Undocumented processes
- Environmental or regulatory issues

Tips for Sellers



- Maintain accurate and organized financial statements and tax records
- Document and support all add-backs
- Address known tax or compliance issues early
- Keep all licenses, permits, and SDAT filings current
- Strengthen material customer and supplier contracts
- Document key processes
- Organize employee records and leasing information
- Address potential issues before going to market

Sources: Maryland State Department of Assessments and Taxation (SDAT), Certificate of Status & 2026 Annual Business Filings; Comptroller of Maryland, Bulk Sales Tax and Tax Clearance guidance; AICPA quality-of-earnings guidance; IBBA due-diligence resources.

Maximizing Transferable Enterprise Value

Strategic planning can increase a Maryland business's value before an exit. Reducing owner dependency, diversifying revenue, and improving financial transparency help attract buyers and support a smoother sale. Preparing to exit your business? Explore our guide to [selling a business](#) for strategies to maximize its value.



Eliminate Owner Dependency

Build a business that runs without you.

- ✓ Delegate key responsibilities and develop a management layer
- ✓ Document and systematize Standard Operating Procedures (SOPs)
- ✓ Cross-train key team members
- ✓ Reduce reliance on owner relationships and knowledge



De-Risk Revenue

Create a more stable and predictable income stream.

- ✓ Reduce material customer concentration and diversify the customer base
- ✓ Diversify products, services, and target markets
- ✓ Increase recurring revenue and contracted income
- ✓ Strengthen the sales pipeline and renewal rates



Financial Hygiene

Present clean, credible financials.

- ✓ Maintain accurate, detailed, up-to-date financial records that reconcile to tax returns
- ✓ Build a consistent multi-year financial history before going to market
- ✓ Clearly document and substantiate add-backs (e.g., owner compensation, one-time expenses)
- ✓ Improve working capital management and cash flow
- ✓ Prepare for a Quality of Earnings (QoE) review when appropriate

Illustrative Exit Readiness Path

A typical progression from owner-dependent to a more transferable enterprise.



Action Plan: Key Value Enhancement Strategies



People & Operations

- ✓ Hire and develop a leadership team
- ✓ Document and improve key processes
- ✓ Implement performance metrics and reporting
- ✓ Reduce single points of failure



Revenue & Customers

- ✓ Reduce material customer concentration and diversify the customer base
- ✓ Grow recurring revenue contracts
- ✓ Diversify products, services, and markets
- ✓ Strengthen customer retention and renewal rates



Financial Management

- ✓ Maintain accurate and organized financial records
- ✓ Track and substantiate add-backs
- ✓ Improve working capital and cash flow
- ✓ Build a consistent multi-year financial history
- ✓ Prepare for a Quality of Earnings (QoE) review when appropriate



Strategic Positioning

- ✓ Protect intellectual property and proprietary processes
- ✓ Invest in scalable systems and technology
- ✓ Explore strategic partnerships or channel expansion
- ✓ Position the business for multiple buyer types (strategic, private equity, or owner-operator)

Note: Illustrative planning framework. Actual valuation impact and preparation timeline vary by business, industry, financial performance, buyer type, and market conditions.

Sources: IBBA, business-sale and exit-planning guidance: BizBuySell, Business Valuation Risk Factors: PwC, Private Company Exit Strategies.

Fractional CFO Playbook: Essential Financial KPIs

Strong financial controls and key performance indicators (KPIs) help Maryland business owners improve profitability, manage cash flow, and prepare for growth or a future exit. These metrics highlight business strengths and areas for improvement. Explore expert financial guidance and fractional CFO services at [BizProfitPro](#).

Core Financial KPI Dashboard

KPI	WHAT IT MEASURES	HOW TO BENCHMARK IT
 Gross Profit Margin	Profitability after direct costs (cost of goods sold). Shows how efficiently you produce or deliver your products or services.	Compare with industry peers and track your trend over time. Margins vary widely by industry, so use relevant peer data.
 Operating Margin	Overall operating profitability after all operating expenses (e.g., payroll, rent, marketing).	Benchmark against businesses in your industry and with a similar business model. Track trends over time to measure improvement.
 Days Sales Outstanding (DSO)	Average number of days to collect payment from customers. Measures how quickly you convert sales to cash.	Compare with your customer payment terms and industry norms. DSO varies widely by sector, so use relevant peer data.
 Quick Ratio	Short-term liquidity (current assets minus inventory ÷ current liabilities). Shows ability to meet near-term obligations without relying on inventory.	Compare with industry norms and your business's cash-cycle needs. Target levels vary by industry, seasonality, and growth stage.

 **Illustrative management framework.** Appropriate KPI targets vary by industry, business model, company size, seasonality, and growth stage.

Working Capital Management

Managing inventory, receivables, and payables efficiently keeps your business liquid and reduces risk.

 Inventory-Heavy Businesses (Manufacturing, Distribution, Retail)	 Service-Oriented Businesses (Professional Services, IT, Consulting)
✓ Improve inventory turnover ✓ Negotiate favorable supplier payment terms ✓ Manage receivables and payables ✓ Use demand forecasting to reduce excess stock	✓ Speed up receivables collection ✓ Improve billing and invoicing efficiency ✓ Grow recurring revenue and longer-term contracts ✓ Manage project-based costs and resource utilization

Rolling 13-Week Cash Flow Forecast

A rolling 13-week cash flow model is a short-term planning tool that helps you anticipate cash needs, navigate seasonality, and plan for growth opportunities.



Why These KPIs Matter

 Better Decision Making Data-driven insights help you identify opportunities and address issues early.	 Higher Valuation Buyers look for consistent profitability, strong cash flow, and efficient working capital management.
 Greater Financial Stability Helps you manage risk and stay resilient during economic downturns and seasonal fluctuations.	 Scalability Strong financial controls create a foundation for sustainable growth.

Best Practices for Business Owners

- 1 Track these KPIs monthly and review trends over time.
- 2 Benchmark against industry peers and businesses with similar size and business models.
- 3 Use a 13-week cash flow forecast and update it regularly.
- 4 Maintain accurate and organized financial records.
- 5 Work with a fractional CFO or financial advisor to interpret results and develop action plans when useful.

Sources: U.S. Small Business Administration – Small Business Financial Management Guide | Intuit QuickBooks – Quick Ratio Guide | Salesforce – Days Sales Outstanding (DSO) Guide
NYU Stern (Aswath Damodaran) – Industry Margin Data and Valuation Resources

Maryland Business Tax Strategy & Optimization

A proactive tax strategy can improve cash flow, increase profitability, and enhance enterprise value. Maryland offers several tax structures, credits, and incentives that can help business owners reduce their overall tax burden when used correctly and in compliance with state and federal law.



Maryland Pass-Through Entity (PTE) Tax

Eligible pass-through entities may elect to pay Maryland income tax at the entity level.

- ✓ Election available for qualifying pass-through entities (S-Corps, partnerships, LLCs, etc.)
- ✓ May help reduce the overall state tax burden for eligible owners
- ✓ For tax year 2026, electing PTE taxable income for quarterly estimated payments continues to use Maryland-attributable income for resident and nonresident members
- ✓ 2026 legislative changes affect election and payment procedures



Local Business Personal Property Tax

Business personal property such as furniture, machinery, equipment, and certain other assets may be subject to local taxation.

- ✓ Applies to most businesses with taxable personal property
- ✓ Rates and rules vary by county and may also vary by municipality
- ✓ Certain exemptions may apply (e.g., specific equipment or industry exemptions)
- ✓ Timely filing and proper classification can help reduce tax liability
- ✓ Check current requirements with the Maryland SDAT and your local county government



State Tax Credit Programs

Maryland offers several tax credits that can reward job creation, investment, and innovation.

- ✓ Job Creation Tax Credit (hiring and wage growth)
- ✓ Research and Development (R&D) Tax Credit (innovation)
- ✓ One Maryland Tax Credit (location and job creation)
- ✓ Additional incentives may be available for certain industries, projects, and designated areas

Understanding the Maryland PTE Tax



- Eligible pass-through entities may elect to pay Maryland income tax at the entity level, rather than solely at the owner level.
- For tax year 2026, Maryland Comptroller guidance states that electing PTE taxable income for quarterly estimated payments continues to use Maryland-attributable income for resident and nonresident members.
- 2026 legislative changes affect election and payment procedures. Review the latest guidance for current rules, deadlines, and requirements.
- The federal benefit (including any impact related to the federal SALT deduction cap) and owner-level results depend on current federal law, each owner's circumstances, the entity structure, and Maryland rules. Consult a qualified tax professional for personalized advice.



Important Considerations

- The PTE election may not be right for every business.
- Eligibility, compliance, and timing requirements apply.
- Both resident and nonresident members are subject to Maryland-attributable income rules for estimated payments.
- Tax rules and outcomes depend on the business and owner circumstances.

2026 Maryland Tax Credit Highlights — Tax Planning Checklist



Job Creation Tax Credit

- Generally \$3,000 per qualified standard job
- \$5,000 per qualified job in a revitalization area
- Enhanced amounts for qualified veterans
- Program is active and scheduled to sunset January 1, 2032
- Subject to eligibility, certification, and other requirements



One Maryland Tax Credit

- Provides tax credits for qualifying businesses that locate in Maryland and create new jobs
- Credit amount, eligibility, and certification requirements vary based on the project
- Designed to support significant job creation and economic development in the state



Research & Development (R&D) Tax Credit

- Equals 10% of eligible Maryland R&D expenses above the Maryland Base Amount
- Subject to statutory caps and possible proration
- A portion of the credit can be refundable for qualified small businesses
- Program extended through tax year 2030

1

Review your entity structure and consider the Maryland PTE election annually.

2

Reconcile financial statements, books, and tax returns to ensure accurate reporting.

3

Verify business personal property filings with the Maryland SDAT and your local county government.

4

Identify and evaluate available tax credits before hiring, investing, or expanding.

5

Document eligibility, maintain required records, and meet all deadlines.

6

Coordinate state and federal tax planning with a qualified tax professional to optimize results and ensure compliance.



Important: Tax rules and incentives change. Eligibility and tax outcomes depend on the business and owner circumstances. Verify current requirements before acting.

Sources:
Maryland Comptroller – 2026 Pass-Through Entity (PTE) Tax Alert | Maryland Department of Commerce – Job Creation Tax Credit |
Maryland Department of Commerce – Research & Development Tax Credit | Maryland SDAT – Business Personal Property guidance

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Regional Economic Corridors: County-by-County Focus

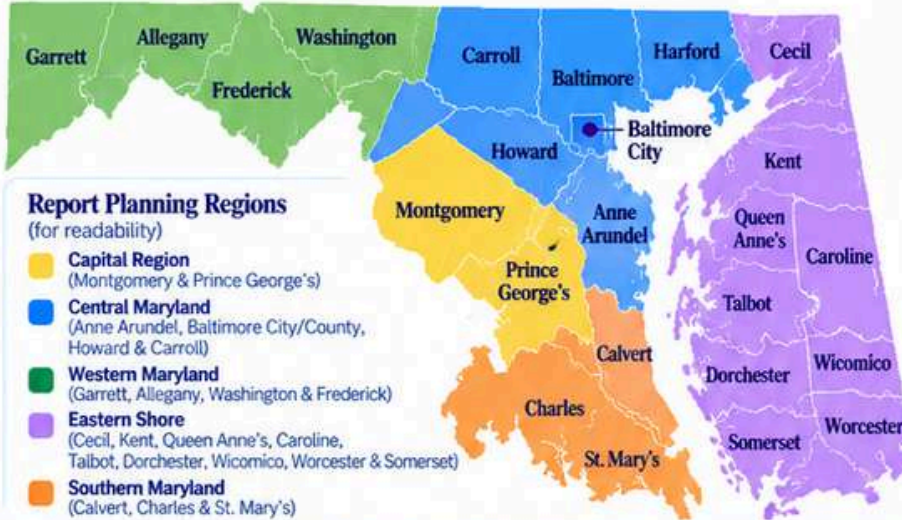
Maryland's diverse regions offer unique advantages for business growth, from strategic location and federal connections to leading industries in life sciences, cybersecurity, aerospace, manufacturing, agribusiness, energy, tourism, and innovation. The groups below are report planning regions for readability; Maryland Commerce serves all counties through its Office of Regional Development.



Statewide Strengths

Maryland Commerce highlights statewide advantages, including:

- ✓ Strategic location and connectivity (I-95 corridor, East Coast markets)
- ✓ Federal and military connections
- ✓ Life sciences and biotechnology
- ✓ Cybersecurity, aerospace and quantum
- ✓ Manufacturing and logistics
- ✓ Agribusiness and food production
- ✓ Energy, tourism and innovation





Capital Region

Montgomery & Prince George's Counties

Key Opportunities

- ✓ Proximity to federal agencies and contractors
- ✓ Life sciences, biotechnology and innovation ecosystems
- ✓ Cybersecurity and technology
- ✓ Professional and business services
- ✓ Diverse, skilled workforce
- ✓ Access to research institutions and strategic partnerships

Major Employers & Assets

- Federal agencies and contractors
- Universities and research institutions
- Life sciences and technology firms
- Professional and business services across multiple sectors



Central Maryland

Anne Arundel, Baltimore City/County, Howard & Carroll Counties

Key Opportunities

- ✓ Port of Baltimore and maritime commerce
- ✓ BWI Thurgood Marshall Airport
- ✓ Fort Meade and cyber-defense ecosystem
- ✓ Manufacturing and logistics
- ✓ Health care, life sciences and professional services
- ✓ Growing technology and innovation sectors

Major Employers & Assets

- Port of Baltimore
- BWI Airport
- Fort Meade (NSA, U.S. Cyber Command and related)
- Health care systems
- Manufacturing, logistics and distribution companies



Western Maryland

Garrett, Allegany, Washington & Frederick Counties

Key Opportunities

- ✓ Manufacturing and advanced materials
- ✓ Logistics and distribution (Interstate 70, I-68, rail)
- ✓ Tourism and outdoor recreation
- ✓ Health care and education services
- ✓ Rural entrepreneurship and small business growth
- ✓ Access to regional markets and a skilled workforce

Major Employers & Assets

- Manufacturing and logistics companies
- Health care systems
- Educational institutions
- Tourism and hospitality assets
- Small businesses and rural industry clusters



Southern Maryland

Calvert, Charles & St. Mary's Counties

Key Opportunities

- ✓ Aerospace, defense and unmanned systems
- ✓ Naval Air Station Patuxent River
- ✓ Federal and military connections
- ✓ Manufacturing and maritime industries
- ✓ Energy (including offshore wind opportunities)
- ✓ Tourism and waterfront economy

Major Employers & Assets

- Naval Air Station Patuxent River
- Aerospace and defense firms
- Manufacturing and maritime companies
- Energy and clean energy projects
- Tourism and recreation assets



Eastern Shore

Cecil, Kent, Queen Anne's, Caroline, Talbot, Dorchester, Wicomico, Worcester & Somerset Counties

Key Opportunities

- ✓ Agribusiness and food production
- ✓ Manufacturing and industrial expansion
- ✓ Logistics and transportation
- ✓ Tourism, hospitality and outdoor recreation
- ✓ Renewable energy and clean energy projects
- ✓ Regional airports and infrastructure development

Major Employers & Assets

- Agriculture, seafood and food processing companies
- Manufacturing and distribution centers
- Tourism and hospitality assets (Chesapeake Bay and coastal areas)
- Renewable energy projects
- Regional airports

Regional Highlights at a Glance

Region (Report Planning)	Counties	Key Industries	Notable Assets	Business Climate
Capital Region	Montgomery, Prince George's	Life sciences, cybersecurity, professional services, technology	Proximity to federal agencies, research institutions, skilled workforce	Innovation-driven, diverse economy
Central Maryland	Anne Arundel, Baltimore City, Baltimore County, Howard, Carroll	Maritime, cybersecurity, manufacturing, logistics, health care, professional services	Port of Baltimore, BWI Airport, Fort Meade, I-95 corridor	Strong infrastructure and industry mix
Western Maryland	Garrett, Allegany, Washington, Frederick	Manufacturing, logistics, tourism, health care, small business	I-68, I-70, rail access, outdoor recreation assets	Growing opportunities and regional assets
Southern Maryland	Calvert, Charles, St. Mary's	Aerospace, defense, manufacturing, energy, maritime, tourism	Naval Air Station Patuxent River, maritime assets, clean energy	Strategic location and specialized industry base
Eastern Shore	Cecil, Kent, Queen Anne's, Caroline, Talbot, Dorchester, Wicomico, Worcester, Somerset	Agribusiness, manufacturing, logistics, tourism, renewable energy	Chesapeake Bay, regional airports, renewable energy projects	Diverse economy with strong growth opportunities

Note: These are report planning regions for readability. Maryland Commerce serves all counties through its Office of Regional Development.
Sources: Maryland Department of Commerce – Office of Regional Development | Maryland Department of Commerce – How We Position Maryland | Maryland Department of Commerce – Office of Strategic Industries | Maryland Port Administration | County economic development organizations.

The Maryland Entrepreneur's Master Execution Checklist

From startup to growth and a successful exit, this step-by-step checklist helps Maryland business owners build a strong foundation, improve profitability, and prepare for a smooth transition. Ready to take the next step? [Book a consultation with BizProfitPro](#) to discuss your business goals and plan for long-term success.



 FOUNDATION PHASE EARLY-STAGE PRIORITIES	 SCALING & FINANCIAL MANAGEMENT GROWTH-STAGE PRIORITIES	 EXIT & TRANSITION READINESS PREPARE WELL BEFORE A SALE
Get organized, compliant, and positioned for growth. ✓ Choose an appropriate legal structure (LLC, S-Corp, C-Corp, etc.). ✓ Register/form the business with Maryland SDAT when required and maintain active good-standing status. ✓ Obtain applicable state and local business licenses and permits. ✓ Obtain federal and state tax IDs and register applicable Maryland tax accounts. ✓ Open a dedicated business bank account. ✓ Establish bookkeeping and regular P&L, balance sheet, and cash-flow reporting. ✓ Validate pricing, margins, and business model. ✓ Establish key contracts and policies (customer, vendor, employment) and appropriate insurance coverage. ✓ Document core processes and create initial SOPs.	Drive efficiency, increase margins, and reduce risk. ✓ Track industry-appropriate KPIs and trends (e.g., revenue, margins, cash flow, customer metrics). ✓ Maintain a rolling cash-flow forecast and annual budget. ✓ Delegate key responsibilities and develop management depth. ✓ Systematize operations with documented SOPs. ✓ Reduce material customer concentration and diversify revenue streams. ✓ Evaluate Maryland incentives and tax credits where eligible. ✓ Review debt and capital structure and refinance if needed. ✓ Invest in scalable systems, technology, and cybersecurity. ✓ Strengthen recurring or contracted revenue streams where appropriate. ✓ Conduct periodic strategic and financial reviews with a fractional CFO or advisor.	Prepare for a high-value, lower-stress exit. ✓ Maintain accurate, organized multi-year financial records (financial statements and tax returns). ✓ Prepare for a Quality of Earnings (QoE) review or other financial diligence when appropriate. ✓ Resolve material legal, tax, licensing, regulatory, and compliance issues. ✓ Strengthen working capital and balance sheet quality. ✓ Obtain a professional business valuation or market assessment when useful. ✓ Prepare confidential sale materials (e.g., CIM) with qualified advisers when going to market. ✓ Identify and qualify potential buyers (strategic, private equity, or owner-operator). ✓ Manage due diligence and respond to buyer questions. ✓ Negotiate transaction structure and terms (structure depends on financing availability and applicable rules). ✓ Plan for post-closing transition, tax, estate, and wealth considerations with qualified advisers.

KEY OUTCOMES AT EACH STAGE

 Foundation Outcomes • Stronger compliance and good standing • Clearer financial visibility • Validated business model • Reduced early-stage risks • Positioned for scalable growth	 Growth Outcomes • Improved profitability and cash flow • More efficient, systemized operations • Greater management depth • Reduced owner dependence • Higher enterprise value	 Exit-Readiness Outcomes • Better prepared for due diligence • Stronger market position • More attractive to qualified buyers • Smoother transition process • Increased potential for a successful, higher-value exit
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Sources: Maryland Business Express / Maryland State Department of Assessments and Taxation (SDAT) | U.S. Small Business Administration | International Business Brokers Association (IBBA)

Resources & Methodology

The Maryland Business Facts & Trends Report 2026 brings together business, economic, demographic, workforce, technology, and industry data from federal, state, and other established sources. This expanded 27-page report includes new pages on due diligence, valuation, financial management, tax strategy, regional analysis, and a practical execution checklist to provide deeper, more actionable insights for Maryland entrepreneurs, business buyers, and sellers.



ABOUT THIS REPORT

Because government and industry datasets are released on different schedules, some statistics published in 2025 or 2026 may represent data collected during earlier periods. Dates and reporting periods are identified throughout the report where appropriate.

Primary Resources

RELIABLE SOURCES. STRONGER DECISIONS.



U.S. Small Business Administration (Office of Advocacy)

Small business profile, advocacy research, data, and policy resources.
<https://advocacy.sba.gov/>



U.S. Census Bureau

QuickFacts, population estimates, household income, demographics, and business data.
<https://www.census.gov/>



U.S. Bureau of Labor Statistics

Maryland employment, unemployment, labor force, wage, and industry statistics.
<https://www.bls.gov/>



Maryland Department of Commerce

Business incentives, industry sectors, export assistance, and tax credit programs (Job Creation, One Maryland).
<https://commerce.maryland.gov/>



Maryland Department of Planning

State and regional planning data, population projections, and demographic resources.
<https://planning.maryland.gov/>



Maryland Department of Housing and Community Development

Small-business lending and financing programs, community development initiatives, and business resources.
<https://dhcd.maryland.gov/>



Maryland State Department of Assessments and Taxation (SDAT)

Business registration, annual report filing, personal property tax, and good-standing information (2026).
<https://dat.maryland.gov/>



Comptroller of Maryland

Business taxes, tax credits and incentives, and April 13, 2026 guidance on tax-year-2026 pass-through-entity estimated payments.
<https://www.marylandcomptroller.gov/>



Maryland Business Express

Step-by-step guidance for starting, registering, and managing a business in Maryland.
<https://businessexpress.maryland.gov/>



FBI Internet Crime Complaint Center (IC3)

Cybercrime complaints, losses, and emerging cybercrime trends.
<https://www.ic3.gov/>



Maryland State Archives

Maryland historical milestones, economic information, and state history.
<https://msa.maryland.gov/>



Maryland Port Administration

Port of Baltimore data, trade and economic impact, and business opportunities.
<https://www.marylandports.com/>



BizBuySell Insight Report

U.S. small-business M&A market intelligence, including full-year 2025 transaction data and Q2 2026 listing data.
<https://www.bizbuysell.com/insights/>



International Business Brokers Association (IBBA)

Market Pulse industry research, including 2025 Q4 and 2026 Q1 highlights, and M&A best practices.
<https://www.ibba.org/>



Pepperdine Private Capital Markets Report

Annual reports on U.S. private capital markets, including 2025 and 2026 editions.
<https://bschool.pepperdine.edu/private-capital-markets-report/>



Methodology

- Used the latest available authoritative release relevant to each page.
- Distinguished statewide Maryland data from Baltimore-area, national, and other geographic benchmarks.
- Clearly labeled forecasts, illustrative frameworks, and transaction-platform data.
- Figures may be rounded for readability.
- Report planning regions are editorial groupings where noted.
- Business, tax, financing, valuation, and transaction guidance is informational and should be confirmed against current agency rules and qualified professional advice.



Source Standards

- Prioritized government and official agency data (federal, state, and local).
- Used reputable industry datasets, research reports, and trade organizations.
- Included source links and, where relevant, publication dates or data periods.
- Verified that key program details (e.g., Maryland tax credits, SDAT 2026 filing guidance, Comptroller 2026 PTE guidance) reflect current information.
- Did not present illustrative benchmarks or industry metrics as statutory requirements.

Sources: See individual pages for specific citations. This page includes key data and guidance sources used throughout the 2026 report.