

of other tangible personal property, to be produced for sale, by manufacturing, assembling, processing or refining; and

WHEREAS, it is and always has been the intent of the General Assembly of Maryland that the definition of "Use" in the Maryland Use Tax should exclude only such property or service which is held solely for resale in the regular course of business or which is to be incorporated as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing or refining; and

WHEREAS, the uniform administrative interpretation and enforcement by the Comptroller of the Treasury since the inception of the Retail Sales Tax Act and the Maryland Use Tax has been in conformity with the provisions of this ~~amendment~~ ACT, therefore:

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That effective as of July 1, 1947, Section 320 (f) (6) be and is hereby added to Article 81 of the Annotated Code of Maryland (1951 Edition and 1956 Supplement) title "Revenue and Taxes" sub-title "Retail Sales Tax Act" to follow immediately after Section 320 (f) (5) AND to read as follows:

*320 (f) (6) Sales of tangible personal property and/or services to any person who will use the same as facilities, tools, tooling, machinery or equipment (including, but not limited to dies, molds and patterns) even though such person intends to transfer and/or does transfer title to such property or service either before or after such person uses the facilities, tools, tooling, machinery or equipment.*

*When the user of facilities, tools, tooling, machinery or equipment transfers title immediately to the person for whom he manufactures goods or performs work, such transfer shall not give rise to a second tax unless and until physical possession is transferred to the person for whom the goods are manufactured or the work is done.*

IF THE USER OF FACILITIES, TOOLS, TOOLING, MACHINERY OR EQUIPMENT (INCLUDING, BUT NOT LIMITED TO, DIES, MOLDS AND PATTERNS) IS UNDER CONTRACTUAL OBLIGATION, BY THE TERMS OF A WRITTEN CONTRACT, AT THE TIME HE PURCHASES THEM THE FACILITIES, TOOLS, TOOLING, MACHINERY OR EQUIPMENT (INCLUDING, BUT NOT LIMITED TO, DIES, MOLDS AND PATTERNS) TO TRANSFER TITLE TO THE SAME, AT A PRICE EQUAL TO OR GREATER THAN HIS PURCHASE PRICE, TO THE PERSON FOR WHOM HE MANUFACTURES GOODS OR PERFORMS WORK, SUCH TRANSFER SHALL NOT GIVE RISE TO A SECOND TAX.

SEC. 2. *And be it further enacted,* that effective July 1, 1947, Section 368 (d) of Article 81 of the Annotated Code of Maryland (1951 Edition), title "Revenue and Taxes" sub-title "Maryland Use Tax" be and the same is hereby repealed and reenacted with amendments to read as follows:

368 (d) "Use" means the exercise by any person within this State of any right or power over tangible personal property purchased either within or without this State [by a purchaser from a vendor] and includes but is not limited to the receipt, storage, keeping or