

(3) The sale of tangible personal property to contractors, builders or landowners for use or resale in the form of real estate.

(4) The sale of natural or artificial gas, oil, electricity, coal or steam, when made to any purchaser for purposes other than resale or for use in manufacturing, assembling, processing or refining OR IN THE GENERATION OF ELECTRICITY.

(5) The sale or charges for any room, or rooms, lodgings, or accommodations to transient guests.

(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.

If the user of facilities, tools, tooling, machinery or equipment (including, but not limited to, dies, molds and patterns) is under obligation by the terms of a written contract, at the time he purchases 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.

(7) *The sale or charges for telephone, telegraph, teletypewriter, or other telecommunication messages or service, EXCEPT SUCH MESSAGES OR SERVICE AS ARE PROVIDED BY MEANS OF COIN-OPERATED TELEPHONES.*

*(s) Manufacturing machinery and equipment means all machinery and equipment which by acceptable and consistent accounting standards is capitalized for the purpose of claiming depreciation and which is used in manufacturing, assembling, processing or refining products for sale or in the generation of electricity, or research and development. It shall include all machinery and equipment used in any stage of such operations from the handling of raw materials or components on the manufacturing site until the product is ready for delivery or storage. It shall also include capitalized replacement parts upon manufacturing machinery and equipment, and the purchase of capitalized services for the assembly, or fabrication of manufacturing machinery or replacement parts thereof. It shall not include machinery or equipment used in administration, managerial, sales and other non-operational activities. The term also does not include any personal property which when installed becomes a part of the real estate, (but does include foundations in support of machinery and equipment) nor does it include tools and appliances which are charged to expense accounts and/or are not capitalized. Specifically included, however, is any machinery, device, or equipment, which might normally be considered as a part of real estate, required to conform to air or water pollution laws or regulations and melting, smelting, heating, annealing, or coke oven furnaces.*

*(t) "Research and development" means basic and applied research in the sciences and engineering, and the design and development of prototypes and processes. Excluded from this definition are routine product testing, market research, sales promotion, sales service, research in the social sciences or psychology, and other nontechnical activities or technical and nontechnical services.*