

(2) *On each fifty cents (50¢) of price or fraction thereof where the sale is in excess of one dollar (\$1.00), one cent (1¢). The rate provided in this subsection shall apply to all deliveries completed on and after July 1, 1968.*

326.

(a) Sales to the State of Maryland or any of its political subdivisions. *Provided that this subsection shall not be construed or applied to exempt any sale, otherwise taxable under this subtitle, of tangible personal property to contractors or builders to be used for the construction, repair or alteration of real property, ON CONTRACTS ADVERTISED FOR BIDS AFTER THE EFFECTIVE DATE OF THIS ACT.*

(n) Sales of transportation[and communication] services, [including] and the printing and sales of newspapers of any and all types.

(aa) *Sales of all materials which are consumed, mutilated, or tested to destruction, in the performance of research and development, and of all materials which become a component part of any product produced in the research and development process.*

(bb) *Sales to all financial institutions, as defined in Section 128A of this Article, to the same extent that sales to national banks are exempt under federal law.*

(cc) *The sale of or charges for telephone, telegraph, or other telecommunication messages or service; provided that this exemption shall automatically terminate, without further action by the General Assembly, and such sales or charges shall become taxable under this subtitle, upon the taking effect TO BE COLLECTED UPON ORIGINAL STATEMENTS AND BILLINGS MADE ON OR AFTER THE EFFECTIVE DATE of Federal legislation reducing or eliminating the rate of Federal excise tax upon such sales or charges, to one per cent or less.*

372.

(r) *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 machin-*