

which is altered or fabricated by a person under contract to incorporate such property into realty out-of-State where the purchase or use of such property would not be subject to a sales, use, or similar tax; and generally relating to the sales and use tax.

BY adding to

Article 81 - Revenue and Taxes
Section 326(ii)
Annotated Code of Maryland
(1975 Replacement Volume and 1977 Supplement)

BY repealing and reenacting, with amendments,

Article 81 - Revenue and Taxes
Section 374A
Annotated Code of Maryland
(1975 Replacement Volume and 1977 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article 81 - Revenue and Taxes

326.

The tax hereby levied does not apply to the following sales:

(II) SALES OF TANGIBLE PERSONAL PROPERTY TO A PERSON UNDER CONTRACT TO INCORPORATE SUCH PROPERTY INTO REALTY IN ANOTHER STATE OR THE DISTRICT OF COLUMBIA WHERE THE PURCHASE OR USE OF SUCH TANGIBLE PERSONAL PROPERTY WOULD NOT BE SUBJECT TO A SALES, USE, OR SIMILAR TAX IN SUCH JURISDICTION. CLAIM FOR THIS EXEMPTION SHALL NOT BE MADE AT THE TIME OF SALE BUT SHALL BE MADE SOLELY BY APPLICATION FOR REFUND TO THE COMPTROLLER FOR TAXES PREVIOUSLY PAID FOLLOWING INCORPORATION OF THE TANGIBLE PERSONALTY INTO THE REALTY. THE COMPTROLLER IS AUTHORIZED TO ADOPT REGULATIONS TO EFFECTUATE THIS EXEMPTION, INCLUDING REGULATIONS REQUIRING EVIDENCE OF THE USE OF TANGIBLE PERSONAL PROPERTY, AND SATISFACTORY PROOF OF ENTITLEMENT TO EXEMPTION IN OTHER JURISDICTIONS.

374A.

The use tax shall be paid on the purchase price of all taxable personal property which is purchased for storage in Maryland on and after July 1, 1969. Taxable personal property intended solely for use in other states, but which is stored in Maryland pending shipment to another state shall not be subject to the use tax. THE TERM "SOLELY FOR USE IN OTHER STATES" SHALL NOT BE CONSTRUED TO EXCLUDE FROM THE PROVISIONS OF THIS SECTION TANGIBLE PERSONAL PROPERTY