

LAUNDERING OF TEXTILES FOR A BUYER WHO IS ENGAGED IN A BUSINESS THAT REQUIRES THE RECURRING SERVICE OF COMMERCIAL CLEANING OR LAUNDERING OF THE TEXTILES;

(2) "Production activity" does not include:

(ii) maintaining tangible personal property[, except] OTHER THAN textile products for rental and production machinery and equipment, EXCEPT FOR MAINTAINING TANGIBLE PERSONAL PROPERTY IN PROVIDING THE TAXABLE SERVICE OF COMMERCIAL CLEANING OR LAUNDERING OF TEXTILES FOR A BUYER WHO IS ENGAGED IN A BUSINESS THAT REQUIRES THE RECURRING SERVICE OF COMMERCIAL CLEANING OR LAUNDERING OF THE TEXTILES;

(h) (3) "Retail sale" does not include:

(ii) a sale of tangible personal property if the buyer intends to:

2. use or incorporate the tangible personal property in a production activity as a material or part of other tangible personal property to be produced for sale; or

(m) "Taxable service" means:

(2) commercial cleaning or laundering of textiles for a buyer who is engaged in a business that requires the recurring service of commercial cleaning or laundering of the textiles;

(n) (3) "Use" does not include:

(ii) an exercise of a right or power over tangible personal property acquired by a sale for use if the buyer intends to:

2. use or incorporate the tangible personal property in a production activity as a material or part of other tangible personal property to be produced for sale; or

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(b) The sales and use tax does not apply to a sale of:

(1) tangible personal property used directly and predominantly in a production activity at any stage of operation on the production activity site from the handling of raw material or components to the movement of the finished product, if the tangible personal property is not installed so that it becomes real property;

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2006.

Approved May 2, 2006.