

REVISOR'S NOTE: This subsection is new language derived without substantive change from former Art. 81, § 372(i)(1) and (6) and items (2) and (7) of the seventh sentence of § 324(f).

This subsection is rephrased as a definition of "taxable service", rather than as part of the definition of "tangible personal property", for clarity.

In item (1) of this subsection, the former phrase "for a consideration" is deleted as surplusage.

In item (2) of this subsection, the defined term "buyer" is substituted for the former word "person", for clarity.

Defined terms: "Buyer" § 11-101
"Tangible personal property" § 11-101

(K) USE.

(1) "USE" MEANS AN EXERCISE OF A RIGHT OR POWER TO USE, CONSUME, POSSESS, OR STORE THAT IS ACQUIRED BY A SALE FOR USE OF:

(I) TANGIBLE PERSONAL PROPERTY; OR

(II) A TAXABLE SERVICE.

(2) "USE" INCLUDES AN EXERCISE OF A RIGHT OR POWER TO USE, CONSUME, POSSESS, OR STORE THAT IS ACQUIRED BY A SALE FOR USE OF TANGIBLE PERSONAL PROPERTY:

(I) FOR USE OR RESALE IN THE FORM OF REAL ESTATE BY A BUILDER, CONTRACTOR, OR LANDOWNER; OR

(II) EXCEPT AS PROVIDED IN PARAGRAPH (3)(I) OF THIS SUBSECTION, AS FACILITIES, TOOLS, TOOLING, MACHINERY, OR EQUIPMENT, INCLUDING DIES, MOLDS, AND PATTERNS, EVEN IF THE BUYER INTENDS TO TRANSFER TITLE TO THE PROPERTY BEFORE OR AFTER THAT USE.

(3) "USE" DOES NOT INCLUDE:

(I) A TRANSFER OF TITLE TO TANGIBLE PERSONAL PROPERTY AFTER ITS USE AS FACILITIES, TOOLS, TOOLING, MACHINERY, OR EQUIPMENT, INCLUDING DIES, MOLDS, AND PATTERNS, IF:

1. AT THE TIME OF PURCHASE, THE BUYER IS OBLIGATED, UNDER THE TERMS OF A WRITTEN CONTRACT, TO MAKE THE TRANSFER; AND

2. THE TRANSFER IS MADE FOR THE SAME OR GREATER CONSIDERATION TO THE PERSON FOR WHOM THE BUYER MANUFACTURES GOODS OR PERFORMS WORK; OR