

(III) TO A PARTNERSHIP ONLY AS A CONTRIBUTION TO ITS CAPITAL OR IN CONSIDERATION FOR A PARTNERSHIP INTEREST IN THE PARTNERSHIP.

(2) FOR A TRANSFER THAT WOULD QUALIFY AS A CASUAL AND ISOLATED SALE UNDER SUBSECTION (A) OF THIS SECTION IF THE SALE PRICE LIMITATION WERE DISREGARDED, THE AMOUNT OF LIABILITY TRANSFERRED TO OR ASSUMED BY A CORPORATION, JOINT-STOCK COMPANY, OR PARTNERSHIP SHALL BE EXCLUDED FROM THE CONSIDERATION TRANSFERRED BY THE CORPORATION, COMPANY, OR PARTNERSHIP IN EXCHANGE FOR THE TANGIBLE PERSONAL PROPERTY TO DETERMINE WHETHER THE TRANSFER IS MADE:

(I) PRINCIPALLY IN CONSIDERATION FOR THE ISSUANCE OF STOCK OF A CORPORATION OR JOINT-STOCK COMPANY; OR

(II) ONLY AS A CONTRIBUTION TO THE CAPITAL OF A PARTNERSHIP OR IN CONSIDERATION FOR A PARTNERSHIP INTEREST.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, §§ 326(e) and 326A and, as it extended the exemptions under the former retail sales tax to the former use tax, § 375(b).

In the introductory language of subsection (a) of this section, the defined term "person" is substituted for the former word "vendor" to clarify that any person may make the sale.

In subsections (b)(1) and (c)(1)(ii) and (2) of this section, the references to a "joint-stock company" are added to incorporate the substance of former Art. 81, § 2(1), which defined "corporation" to include a joint-stock company and an association. In light of the references to stock, references to an association are not added.

In subsection (c)(2) of this section, the reference to the "amount" of liability being "excluded from" the consideration is substituted for the former references to the liabilities not being "deemed" to be a consideration, for clarity.

Defined terms: "Internal Revenue Code" § 1-101
"Person" §§ 1-101 and 11-101 "Sale" § 11-101
"Sales and use tax" § 1-101
"Tangible personal property" § 11-101
"Taxable service" § 11-101 "Vendor" § 11-101

11-210. MACHINERY AND EQUIPMENT.

(A) PRODUCTION OF BITUMINOUS CONCRETE.