

SECTION 6. AND BE IT FURTHER ENACTED, That Sections 1, 2, 4 and 5 of this Act shall take effect on June 1, 1993.

SECTION 7. AND BE IT FURTHER ENACTED, That Section 3 of the Act shall take effect on June 1, 1995.

Approved May 27, 1993.

CHAPTER 401

(Senate Bill 660)

AN ACT concerning

Sales and Use Tax – Research and Development

FOR the purpose of altering the exemption from the sales and use tax for sales of certain property used in research and development in a certain manner; repealing the exemption from the sales and use tax for sales of certain machinery or equipment used for research and development; and generally relating to the applicability of the sales and use tax to research and development.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 11-210(b) and 11-217

Annotated Code of Maryland

(1988 Volume and 1992 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Tax – General

11-210.

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

(1) machinery or equipment, a replacement part of machinery or equipment, or a service for the assembly or fabrication of machinery or equipment or replacement part that:

(i) is capitalized to claim depreciation, using acceptable and consistent accounting standards;

(ii) is not used in administration, management, sales, or any other nonoperational activity;

(iii) at any stage of operation from the handling of raw material or components on the production activity site to the time the product is ready for delivery or storage, is used [;