

1.] in a production activity [; or
2. for research and development, as defined in § 11-217 of this subtitle]; and

(iv) except for a foundation to support other machinery or equipment or for an item required to conform to an air or water pollution law and normally considered part of real property, is not installed so that it becomes real property; or

(2) a melting, smelting, heating, or annealing coke oven, aluminum furnace, anode bake oven, electrolytic pot, cathode, refractory, or other material used in relining and rebuilding a furnace or oven.

11-217.

(a) (1) In this section, "research and development" means:

(i) basic and applied research in the sciences and engineering; and

(ii) the design, development, and governmentally required pre-market testing of prototypes, products, and processes.

(2) "Research and development" does not include:

(i) market research;

(ii) research in the social sciences or psychology and other nontechnical activities;

(iii) routine product testing;

(iv) sales services; or

(v) technical and nontechnical services.

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

(1) be consumed, mutilated, or tested to destruction in research and development; or

(2) become a component part of a product produced by] TANGIBLE PERSONAL PROPERTY FOR USE OR CONSUMPTION IN research and development.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1993.

Approved May 27, 1993.