

**CHAPTER 402**

**(Senate Bill 661)**

AN ACT concerning

**Personal Property Tax – Research and Development – ~~Exemption~~ Tax Credit**

FOR the purpose of authorizing the governing body of a municipal corporation or county to ~~exempt~~ grant, by law, a property tax credit for certain personal property consumed in or used primarily for research and development ~~from valuation and property tax~~; defining a term; providing for the effective date of the ~~exemption credit~~; requiring the Department of Assessments and Taxation to adopt certain regulations; ~~repealing the a certain~~ property tax credit that may be granted in connection with certain personal property used in a research or testing facility; requiring the Department of Assessments and Taxation and the Department of Employment and Economic Development, in consultation with the Maryland Association of Counties and the Maryland Municipal League, to complete a certain study; and generally relating to tax on personal property used in research and development.

BY adding to

Article – Tax – Property  
Section ~~7-236~~ 9-223  
Annotated Code of Maryland  
(1986 Volume and 1992 Supplement)

BY repealing

Article – Tax – Property  
Section 9-210  
Annotated Code of Maryland  
(1986 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 – Property**

~~7-236. 9-223.~~

(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: