

(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**

11-101.

(d) (1) "Production activity" means:

- (i) except for processing food or a beverage by a retail food vendor, assembling, manufacturing, processing, or refining tangible personal property for resale;
- (ii) generating electricity; and
- (iii) laundering, maintaining, or preparing textile products for rental.

(2) "Production activity" does not include:

- (i) servicing or repairing tangible personal property;
- (ii) maintaining tangible personal property, except textile products for rental; OR
- (iii) [testing finished products; or
- (iv)] providing for the comfort or health of employees.

(e) (1) "Retail sale" means the sale of:

- (i) tangible personal property; or
- (ii) a taxable service.

(2) "Retail sale" includes:

- (i) a sale of tangible personal property for use or resale in the form of real estate by a builder, contractor, or landowner; and
- (ii) except as provided in paragraph (3)(i) of this subsection, use of tangible personal property 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) "Retail sale" 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;