

CHAPTER 690

(House Bill 1544)

AN ACT concerning

Sales and Use Tax – Definitions – Clean Rooms

FOR the purpose of altering the definition of "production activity" under the sales and use tax law; providing for a delayed effective date; making this Act subject to a certain contingency; and generally relating to the assessment of sales and use tax.

BY repealing and reenacting, with amendments.

Article – Tax – General

Section 11-101(d)(1)

Annotated Code of Maryland

(1988 Volume and 1993 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;

OR

(IV) ESTABLISHING OR MAINTAINING CLEAN ROOMS OR CLEAN ZONES AS REQUIRED BY APPLICABLE PROVISIONS OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, THE PUBLIC HEALTH SERVICE ACT, AND THE VIRUS-SERUM-TOXIN ACT, AND THE REGULATIONS ADOPTED THEREUNDER, PERTAINING TO THE MANUFACTURE OF DRUGS, MEDICAL DEVICES, OR BIOLOGICS.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 1994.~~

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect January 1, 1995, contingent on a downward adjustment in estimated revenues of not less than \$150,000 \$125,000 being incorporated into a Supplemental Budget and enacted with the Annual Budget Bill for Fiscal Year 1995 for the purpose of financing the provisions of this Act, and if that downward adjustment in estimated revenues is not incorporated into a Supplemental Budget and enacted with the Annual Budget Bill for Fiscal Year 1995, this Act shall be null and void without the necessity of further action by the General Assembly.