

(C) THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY TO ANY PERSONAL PROPERTY THAT IS LEASED, LOANED, OR MADE AVAILABLE BY A BANK OR TRUST COMPANY FOR THE USE OF A PERSON THAT IS NOT A BANK OR TRUST COMPANY.

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(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 PREMARKET 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;

(V) TECHNICAL AND NONTECHNICAL SERVICES; OR

(VI) RESEARCH AND DEVELOPMENT OF A PUBLIC UTILITY.

~~(B) (1) FOR THE TAXABLE YEAR BEGINNING ON JULY 1, 1996, ALL MACHINERY, EQUIPMENT, MATERIALS, AND SUPPLIES ARE SUBJECT TO A PARTIAL EXEMPTION FROM PROPERTY TAX IF CONSUMED IN OR USED PRIMARILY IN RESEARCH AND DEVELOPMENT.~~

~~(2) THE PARTIAL EXEMPTION GRANTED UNDER THIS SUBSECTION IS EQUAL TO THE ASSESSMENT OF THE PROPERTY IN EXCESS OF 25% OF THE ORIGINAL COST OF THE PROPERTY.~~

~~(C) FOR TAXABLE YEARS BEGINNING AFTER JUNE 30, 1997, ALL MACHINERY, EQUIPMENT, MATERIALS, AND SUPPLIES ARE NOT SUBJECT TO PROPERTY TAX IF CONSUMED IN OR USED PRIMARILY IN RESEARCH AND DEVELOPMENT.~~

(B) (1) ALL MACHINERY, EQUIPMENT, MATERIALS, AND SUPPLIES ARE SUBJECT TO A PARTIAL EXEMPTION FROM PROPERTY TAX IF CONSUMED IN OR USED PRIMARILY IN RESEARCH AND DEVELOPMENT.

(2) THE PARTIAL EXEMPTION GRANTED UNDER THIS SUBSECTION:

(I) IS EQUAL TO THE ASSESSMENT OF THE PROPERTY IN EXCESS OF 50% OF THE ORIGINAL COST OF THE PROPERTY; AND

(II) SHALL APPLY ONLY TO PROPERTY PURCHASED OR TRANSFERRED INTO THE STATE AFTER DECEMBER 31, 1994.