

Section ~~7-225, 7-226, and 9-205~~

Annotated Code of Maryland

(1994 Replacement Volume and 1995 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

~~Article — Tax — General~~

~~11-227.~~

~~THE SALES AND USE TAX DOES NOT APPLY TO A SALE OF TANGIBLE PERSONAL PROPERTY FOR USE OR CONSUMPTION IN:~~

~~(1) THE DEVELOPMENT OF:~~

~~(i) MAGNETICALLY STORED WRITTEN INSTRUCTIONS TO BE USED DIRECTLY OR INDIRECTLY IN A COMPUTER TO BRING ABOUT A CERTAIN RESULT; OR~~

~~(ii) RELATED WRITTEN INSTRUCTIONS IN BOOKS, MANUALS, OR ELECTRONIC TUTORIALS;~~

~~(2) THE DEVELOPMENT, PRODUCTION, OR ASSEMBLY OF COMPUTER BOARDS, COMPONENTS, OR CHIPS; OR~~

~~(3) THE DEVELOPMENT OR PRODUCTION OF CULTURES, DRUGS, VACCINES, ANTIBODIES, OR OTHER RELATED MATERIALS FOR USE IN THE BIOSCIENCES INDUSTRY.~~

~~Article — Tax — Property~~

~~1-101.~~

~~(r) (1) "MANUFACTURING" MEANS THE PROCESS OF SUBSTANTIALLY TRANSFORMING, OR A SUBSTANTIAL STEP IN THE PROCESS OF SUBSTANTIALLY TRANSFORMING, TANGIBLE PERSONAL PROPERTY INTO A NEW AND DIFFERENT ARTICLE OF TANGIBLE PERSONAL PROPERTY BY USE OF LABOR OR MACHINERY.~~

~~(2) "Manufacturing" includes:~~

~~(i) the operation of:~~

~~[(1)](I) sawmills, grain mills, or feed mills; and~~

~~[(2)](II) machinery and equipment used to extract and process minerals, metals, or earthen materials or by-products that result from the extracting or processing.~~

~~(2) THE DEVELOPMENT OF:~~

~~(i) MAGNETICALLY STORED WRITTEN INSTRUCTIONS TO BE USED DIRECTLY OR INDIRECTLY IN A COMPUTER TO BRING ABOUT A CERTAIN RESULT; OR~~