

(2) TWO-THIRDS OF THE SALES AND USE TAX THAT THE PERSON PAYS ON OR AFTER JULY 1, 1999 ON THE PURCHASE OF TANGIBLE PERSONAL PROPERTY USED IN A MANUFACTURING PROCESS.

(C) (1) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION, A PERSON SHALL CLAIM THE CREDIT UNDER SUBSECTION (B) OF THIS SECTION ON THE PERSON'S SALES AND USE TAX RETURN WITHIN 4 YEARS AFTER THE DUE DATE OF THE SALES AND USE TAX RETURN FOR THE PERIOD DURING WHICH THE SALES AND USE TAX ON THE PURCHASE WAS PAID.

(2) A CLAIM FOR A CREDIT UNDER THIS SECTION SHALL BE MADE IN THE MANNER THAT THE COMPTROLLER REQUIRES BY REGULATION.

(D) THE COMPTROLLER BY REGULATION SHALL PROVIDE FOR REFUNDS IN LIEU OF THE CREDIT ALLOWED UNDER THIS SECTION FOR PERSONS WHOSE ANNUAL SALES AND USE TAX PAYMENTS TO THE COMPTROLLER ARE INSUFFICIENT TO USE THE FULL AMOUNT OF THE CREDIT WITHIN 1 YEAR.

SECTION 3. AND BE IT FURTHER ENACTED, 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;

(iii) laundering, maintaining, or preparing textile products for rental;

(iv) producing or repairing production machinery or equipment; [or]

(v) 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;

(VI) PROVIDING FOR THE SAFETY OF EMPLOYEES; OR

(VII) PROVIDING FOR QUALITY CONTROL.

(2) "Production activity" does not include:

(i) servicing or repairing tangible personal property, except for servicing or repairing production machinery or equipment;

(ii) maintaining tangible personal property, except textile products for rental AND PRODUCTION MACHINERY AND EQUIPMENT; [or]

(iii) providing for the comfort or health of employees; OR