

- (iii) routine product testing;
- (iv) sales services;
- (v) technical and nontechnical services; or
- (vi) research and development of a public utility.

(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.

(c) (1) In addition to the partial exemption granted under subsection (b) of this section, the governing body of a municipal corporation or county may provide, by law, an exemption from county or municipal corporation property tax imposed on all machinery, equipment, materials, and supplies if consumed in or used primarily in research and development.

(2) The governing body of the municipal corporation or county may provide, by law:

(i) for the amount of the property tax exemption under this subsection; and

(ii) for the application of the exemption to property purchased or transferred into the State on or before December 31, 1994, as well as to property eligible for the partial exemption under subsection (b) of this section.

(3) The governing body of a municipal corporation or county that enacts an exemption under this subsection shall submit a copy of the law to the Department.

(4) If the Department receives a copy of the law on or before March 1, the exemption shall be effective for the taxable year following the date the law is enacted.]

9-205.

(a) The Mayor and City Council of Baltimore City or the governing body of a county or of a municipal corporation may grant, by law, a property tax credit under this section against the county or municipal corporation property tax imposed on part or all of the property of any manufacturing, fabricating, or assembling facility [or real property of a research and development facility] that:

- (1) locates in the county or municipal corporation;
- (2) expands in the county or municipal corporation; or