

Article 81 - Revenue and Taxes
Section 324(f)(3) and 372(i)(2)
Annotated Code of Maryland
(1980 Replacement Volume and 1983 Supplement)

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

Article 81 - Revenue and Taxes

324.

(f) "Retail sale" and "sale at retail" means the sale in any quantity or quantities of any tangible personal property or service taxable under the terms of this subtitle. The term shall mean all sales of tangible personal property to any person for any purpose other than those in which the purpose of the purchaser is (i) to resell the property so transferred in the form in which the same is, or is to be, received by him, (ii) to consume the property so transferred directly and predominantly in manufacturing, assembling, processing, or refining of tangible personal property for sale or in the generation of electricity, if the consumption occurs within 1 year after the tangible personal property first is used for or applied to any of these purposes, or (iii) to use or incorporate the property so transferred as a material or part of other tangible personal property to be produced for sale by manufacturing, assembling, processing or refining. Tangible personal property is "consumed" if it is destroyed, used up, or worn out to the degree or extent that the property cannot be repaired, reconditioned, or rendered fit for further use in manufacturing, assembling, processing, or refining or in generating electricity. "Consumed" does not mean or include mere obsolescence. The terms "manufacturing," "assembling," "processing," and "refining" shall not include (A) maintaining, servicing, or repairing; (B) testing finished products; or (C) providing for the comfort or health of employees. For the purpose of the tax imposed by this subtitle, the term "sale at retail" includes but is not limited to the following:

(3) The sale of tangible personal property to contractors, builders or landowners for use or resale in the form of real estate. FOR THE PURPOSES OF THIS SUBTITLE, WALL-TO-WALL CARPETING RETAINS ITS CHARACTER AS TANGIBLE PERSONAL PROPERTY UPON INSTALLATION, WITHOUT REGARD TO THE PURPOSE, METHOD, OR PERMANENCY OF ITS ANNEXATION.

372.

(i) "Tangible personal property" means corporeal personal property of any nature and shall include but not be limited to:

(2) Tangible personal property purchased for use or resale in the form of real estate by contractors, builders, or