

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 2

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, after "Rawlings," insert "Cryor, Finifter"; strike line 2 in its entirety and substitute "Property Tax - Manufacturing and Research and Development"; strike beginning with "exempting" in line 3 down through "and" in line 5; strike beginning with "to" in line 6 down through "activities" in line 7 and substitute "; providing certain requirements for qualification for a manufacturing exemption from personal property taxes; allowing the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation to grant a certain tax credit for real property of a research and development facility; providing that a certain credit may be granted up to 100% of certain property taxes on certain property; providing for the applicability of this Act; and generally relating to property tax credits for manufacturing and research and development"; strike in their entirety lines 8 through 12, inclusive; in line 15, after "1-101(r)" insert ", 7-225, and 9-205"; in line 20, strike "7-225,"; and in the same line strike ", and 9-205".

AMENDMENT NO. 2

On pages 1 and 2, strike in their entirety the lines beginning with line 25 on page 1 through line 11 on page 2, inclusive.

AMENDMENT NO. 3

On page 2, in line 14, after "(r)" insert "(1)"; strike beginning with the colon in line 14 down through "(1)" in line 15; in line 18, strike the semicolon and substitute a period; and strike in their entirety, lines 19 through 29, inclusive, and substitute:

"(2) "MANUFACTURING" DOES NOT INCLUDE:

(I) ACTIVITIES THAT ARE PRIMARILY A SERVICE;

(II) ACTIVITIES THAT ARE INTELLECTUAL, ARTISTIC, OR

(Over)

CLERICAL IN NATURE;

(III) RESEARCH AND DEVELOPMENT ACTIVITIES;

(IV) PUBLIC UTILITY SERVICES, INCLUDING TELEPHONE, GAS, ELECTRIC, WATER, AND STEAM PRODUCTION SERVICES; OR

(V) ANY OTHER ACTIVITY THAT WOULD NOT COMMONLY BE CONSIDERED AS MANUFACTURING.”.

On page 3, after line 6, insert:

“(C) IN ORDER TO QUALIFY FOR THE EXEMPTION UNDER THIS SECTION:

(1) THE PROPERTY MUST BE USED TO SUBSTANTIALLY TRANSFORM, OR PERFORM A SUBSTANTIAL STEP IN THE PROCESS OF TRANSFORMING, BY USE OF LABOR OR MACHINERY, TANGIBLE PERSONAL PROPERTY INTO A NEW AND DIFFERENT ARTICLE OF TANGIBLE PERSONAL PROPERTY;

(2) THE PROPERTY MAY NOT BE USED PRIMARILY IN ADMINISTRATION, MANAGEMENT, SALES, STORAGE, SHIPPING, RECEIVING, OR ANY OTHER NONMANUFACTURING ACTIVITY; AND

(3) A PERSON CLAIMING THE EXEMPTION MUST APPLY FOR AND BE GRANTED THE EXEMPTION BY THE DEPARTMENT.”.

#### AMENDMENT NO. 4

On page 3, in line 18, after “facility” insert “OR REAL PROPERTY OF A RESEARCH AND DEVELOPMENT FACILITY”; in line 22, strike “is” and substitute “MAY BE GRANTED ON UP TO”.

#### AMENDMENT NO. 5

On page 4, in line 13, after “1996” insert “and shall be applicable to all taxable years beginning after June 30, 1997”.