

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 176

Short Title: Sales Tax On All Cleaning Services.

(Public)

Sponsors: Representative Mavretic.

Referred to: Finance.

February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE SALES TAX ON LAUNDRY AND DRY CLEANING SERVICES TO INCLUDE ALL CLEANING SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(4) reads as rewritten:

"(4) ~~Every~~ A person who is engaged in the business of operating a dry cleaning, pressing, or hat blocking establishment, a laundry, or any similar business, engaged in the business of renting clean linen or towels or wearing apparel, or any similar business, or engaged in the business of soliciting cleaning, pressing, hat blocking, laundering or linen rental business for any of these businesses, any of the following businesses is considered a retailer under this Article. ~~Article:~~

a. Cleaning tangible personal property.

b. Cleaning part or all of a house, a building, or another improvement to real property.

A tax at the general rate of tax is levied on the gross receipts derived by these retailers from services rendered in engaging in any of the ~~occupations or businesses~~ named in this subdivision. ~~The tax imposed by this subdivision does not apply to receipts derived from coin or token operated washing machines, extractors, and dryers.~~ The tax imposed by this subdivision does not apply to gross receipts derived from services performed for resale by a retailer ~~that~~ who pays the tax on the total gross receipts derived from the services."

Sec. 2. G.S. 105-467 reads as rewritten:

1 **"§ 105-467. Scope of sales tax.**

2 The sales tax which may be imposed under this Article is limited to a tax at the rate  
3 of one percent (1%) ~~of~~ of the following:

- 4 (1) The sales price of those articles of tangible personal property now  
5 subject to the general rate of sales tax imposed by the State under G.S.  
6 105-164.4(a)(1) and ~~(4b); (a)(4b).~~
- 7 (2) The gross receipts derived from the lease or rental of tangible personal  
8 property when the lease or rental of the property is subject to the  
9 general rate of sales tax imposed by the State under G.S. ~~105-~~  
10 ~~164.4(a)(2); 105-164.4(a)(2).~~
- 11 (3) The gross receipts derived from the rental of any room or lodging  
12 furnished by any hotel, motel, inn, tourist camp or other similar  
13 accommodations ~~now~~ subject to the general rate of sales tax imposed  
14 by the State under G.S. ~~105-164.4(a)(3); and 105-164.4(a)(3).~~
- 15 (4) The gross receipts derived from services rendered ~~by laundries, dry~~  
16 ~~cleaners, and other businesses now~~ in engaging in a business subject to  
17 the general rate of sales tax imposed by the State under G.S. 105-  
18 164.4(a)(4).

19 The sales tax authorized by this Article does not apply to sales that are taxable by the  
20 State under G.S. 105-164.4 but are not specifically included in subdivisions (1) through  
21 (4) of this section.

22 The State exemptions and exclusions contained in G.S. 105-164.13 and the State  
23 refund provisions contained in G.S. 105-164.14 ~~shall apply with equal force and in like~~  
24 ~~manner to the local sales and use tax authorized to be levied and imposed under this~~  
25 ~~Article. A taxing county shall have no authority, with respect to the local sales and use tax~~  
26 ~~imposed under this Article to change, alter, add to or delete any refund provisions contained in~~  
27 ~~G.S. 105-164.14, or any exemptions or exclusions contained in G.S. 105-164.13 or which are~~  
28 ~~elsewhere provided for. may not allow an exemption, exclusion, or refund that is not~~  
29 allowed under the State sales and use tax.

30 The local sales tax authorized to be imposed and levied under ~~the provisions of this~~  
31 ~~Article shall apply~~ applies to such retail sales, leases, rentals, the rendering of services,  
32 the furnishing of rooms, ~~lodgings-lodgings, or accommodations-accommodations,~~ and  
33 other taxable transactions ~~which are made, furnished-furnished,~~ or rendered by retailers  
34 whose place of business is located within the taxing county. ~~The tax imposed shall apply~~  
35 ~~to the furnishing of rooms, lodging or other accommodations within the county which are~~  
36 ~~rented to transients.~~ For the purpose of this Article, the situs of a transaction is the  
37 location of the retailer's place of business."

38 Sec. 3. Section 4 of Chapter 1096 of the 1967 Session Laws, as amended, is  
39 amended by rewriting subdivision (4) of that section to read:

- 40 "(4) the gross receipts derived from services rendered in engaging in a  
41 business subject to the general rate of sales tax imposed by the State  
42 under G.S. 105-164.4(a)(4)."

43 Sec. 4. This act becomes effective July 1, 1993.