

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 177

Short Title: No Sales Tax on Cleaning Services.

(Public)

Sponsors: Representative Mavretic.

Referred to: Finance.

February 17, 1993

A BILL TO BE ENTITLED

AN ACT TO REPEAL THE SALES TAX ON LAUNDRY AND DRY CLEANING SERVICES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-164.4(a)(4) is repealed.

Sec. 2. G.S. 105-164.13(18) reads as rewritten:

"(18) Funeral expenses, including coffins and caskets, not to exceed one thousand five hundred dollars (\$1,500). All other funeral expenses, including gross receipts for services rendered, shall be are taxable at the general rate of tax set in G.S. 105-164.4. However, 'services rendered' shall do not include ~~those services which have been taxed pursuant to G.S. 105-164.4(4), laundry services, dry cleaning services, or to those services performed by any beautician, hairdresser a cosmetologist, a manicurist, or a barber who is employed by or at the specific direction of the family or personal representative of a the deceased;~~ and 'funeral expenses' and 'services rendered' shall do not include death certificates procured by or at the specific direction of the family or personal representative of ~~a the~~ deceased. Where coffins, ~~easkets-caskets,~~ or vaults are purchased direct and a separate charge is paid for services, ~~the provisions of this subdivision shall apply~~ applies to the total for both."

Sec. 3. G.S. 105-467 reads as rewritten:

"§ 105-467. Scope of sales tax.

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

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

18 The sales tax authorized by this Article does not apply to sales that are taxable by the
19 State under G.S. 105-164.4 but are not specifically included in subdivisions (1) through
20 ~~(4)~~ (3) of this section.

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

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

36 Sec. 4. Section 4 of Chapter 1096 of the 1967 Session Laws, as amended, is
37 amended as follows:

- 38 (1) By inserting the word "and" before the subdivision designation
39 "(3)".
40 (2) By deleting the semicolon and the word "and" at the end of
41 subdivision (3) and substituting a period.
42 (3) By deleting subdivision (4), which begins with the words "the
43 gross receipts derived from services".

44 Sec. 5. This act becomes effective July 1, 1993.