

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

S

2

SENATE BILL 107
Finance Committee Substitute Adopted 4/25/91

Short Title: License Tax Administration Changes.

(Public)

Sponsors:

Referred to:

February 20, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO SIMPLIFY AND MODERNIZE PRIVILEGE LICENSE TAXES
3 RELATING TO DRY CLEANERS AND LAUNDRIES.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 105-74 reads as rewritten:

6 "**§ 105-74. Pressing clubs, dry cleaning plants, and hat blockers.**

7 (a) Establishment License. ~~Every person~~ Every person, firm, or corporation engaging in
8 the business of operating a dry ~~cleaning plant, pressing club~~ cleaning, pressing, or hat
9 blocking establishment shall apply for and procure from the Secretary of Revenue a
10 State license for the privilege of conducting such a business, and shall pay for such license a
11 tax of fifty dollars (\$50.00). ~~the business.~~ If the establishment does not solicit business in
12 a municipality or an unincorporated county area other than the municipality or
13 unincorporated county area in which the establishment is located, the license tax is fifty
14 dollars (\$50.00). If the establishment solicits business in a municipality or an
15 unincorporated county area other than the municipality or unincorporated county area in
16 which the establishment is located, the license tax is one hundred dollars (\$100.00).

17 ~~Every person, firm, or corporation, soliciting cleaning work and/or pressing in any~~
18 ~~city or town where the actual cleaning and/or pressing is done in a cleaning plant or~~
19 ~~press shop located outside the city or town wherein said cleaning work and/or pressing~~
20 ~~is solicited shall procure from the Secretary of Revenue a State license for the privilege~~
21 ~~of soliciting in said city or town, and pay for the same a tax of fifty dollars (\$50.00).~~
22 ~~This shall not apply to soliciting in cities or towns where there is no cleaning plant,~~

1 ~~press shop or established agency with fixed place of business, provided that the solicitor~~
2 ~~shall have paid a State and municipal license tax in this State.~~

3 (b) Soliciting License. Every person, firm or corporation engaged in the business
4 of soliciting dry cleaning ~~and/or or~~ pressing work to be done by a ~~dry cleaning plant which~~
5 ~~has not paid an establishment that is not liable for the State license tax levied herein in~~
6 subsection (a) shall pay a tax of ~~two hundred dollars (\$200.00)~~ one hundred dollars
7 (\$100.00) for each vehicle used in carrying the dry cleaning ~~and/or~~ pressing work, and the
8 license issued by the Secretary of Revenue shall be carried ~~The license holder shall carry the~~
9 license in the cab of any vehicle so employed used in soliciting in this State.

10 (c) Local Licenses. A municipality may tax each establishment located in the
11 municipality. The tax may not exceed the rate provided in subsection (a). Counties and
12 municipalities may tax each business taxed under subsection (b). The tax may not
13 exceed the rate provided in subsection (b). ~~Counties, cities and towns may levy a tax upon~~
14 ~~such persons, firms or corporations not in excess of that levied by the State.~~

15 ~~Cities and towns of under 10,000 population may levy a license tax not in excess of~~
16 ~~twenty five dollars (\$25.00); cities and towns of 10,000 population and over may levy a~~
17 ~~license tax not in excess of fifty dollars (\$50.00). Counties shall not levy a license tax~~
18 ~~on the business taxed under this section.~~

19 ~~Counties, cities and towns may not collect a privilege license tax under this section~~
20 ~~unless the State license tax, if due, has been first paid.~~

21 Definitions: (d) Definitions. For the purpose of this section, the following
22 definitions shall apply:

23 (1) Dry cleaning, pressing, or hat blocking establishment. A place of
24 business where the service 'Dry cleaning, and/or hat blocking, and/or
25 pressing establishments' shall mean any place of business,
26 establishment or vehicle wherein the services of dry cleaning, wet
27 cleaning as a process incidental to dry cleaning, spotting and/or
28 spotting, pressing, finishing and/or finishing, or reblocking hats,
29 garments, or wearing apparel of any kind is performed.

30 (2) 'Soliciting' as used herein shall mean the acceptance of any Soliciting,
31 Accepting an article or a garment to be dry cleaned and/or or pressed.

32 ~~"Person" as used herein shall mean any person, firm, corporation, partnership, or~~
33 ~~association.~~

34 (e) Scope. This section shall does not apply to any bona fide student of any
35 college or university in this State operating such pressing or dry cleaning business at
36 such college or university during the school term of such college or university.

37 A person, firm, or corporation required to be licensed under this section is not
38 required to procure the license under G.S. 105-102.5 for the same location."

39 Sec. 2. G.S. 105-85 reads as rewritten:

40 **"§ 105-85. Laundries.**

41 (a) Laundry License. Every person, firm, or corporation engaged in the business
42 of operating a laundry, ~~including wet or damp wash laundries and businesses known as~~
43 ~~"launderettes," "launderalls" and similar type businesses, where steam, electricity, or~~
44 ~~other power is used, or who engages in laundry or engaged in~~ the business of supplying

1 or renting clean linen or towels or wearing apparel, shall apply for and obtain from the
2 Secretary of Revenue a State license for the privilege of engaging in such business, and
3 shall pay for such license a tax of fifty dollars (\$50.00). the business. If the place of
4 business does not solicit work in a municipality or an unincorporated county area other
5 than the municipality or unincorporated county area in which the place of business is
6 located, the license tax is fifty dollars (\$50.00). If the place of business solicits work in
7 a municipality or an unincorporated county area other than the municipality or
8 unincorporated county area in which the place of business is located, the license tax is
9 one hundred dollars (\$100.00).

10 (b) Definitions. The following definitions apply in this section:

11 (1) Laundry. A business where steam, electricity, or other power is used
12 to clean fabric, including a wet or damp wash laundry, a launderette, a
13 laundrall, or a similar business. The term 'launderettes and
14 laundralls' means 'Launderettes and laundralls' shall mean commercial
15 establishments in which automatic washing machines and dryers are
16 installed for the use of individual customers, including those which
17 contain coin-operated or coin-activated washing machines. However,
18 'launderettes and laundralls' shall the term does not include persons who
19 own or operate apartment buildings in which they provide such
20 machines for the exclusive use and convenience of tenants therein, nor
21 shall such persons be considered to be engaged in any 'similar type
22 business.'

23 (2) Place of business. A fixed place at which the business is maintained.

24 Every person, firm, or corporation soliciting laundry work or supplying or renting
25 clean linen or towels or wearing apparel in any city or town, outside of the city or town
26 wherein said laundry or linen supply or towel supply or wearing apparel supply business
27 is established, shall procure from the Secretary of Revenue a State license and shall pay
28 for such license a tax of fifty dollars (\$50.00) for the privilege of soliciting therein. The
29 additional tax levied in this paragraph shall apply to the soliciting of laundry work or
30 linen supply or towel supply work or wearing apparel supply work in any city or town
31 in which there is a laundry, linen supply or towel supply or wearing apparel supply
32 establishment located in the said city or town. The soliciting of business for or by any
33 person, firm, or corporation engaged in the business of laundry work and/or supplying
34 or renting clean linen or towels or wearing apparel shall and the same is hereby
35 construed to be engaging in the said business.

36 (c) Soliciting License. Every person, firm or corporation engaged in the business
37 of soliciting laundry work to be done by a laundry or plant which has not paid that is not
38 liable for the State license tax levied herein in subsection (a) shall pay a tax of two
39 hundred dollars (\$200.00) one hundred dollars (\$100.00). for each vehicle used in carrying
40 the laundry work, and the license issued by the Secretary of Revenue shall be carried. The
41 license holder shall carry the license in the cab of any vehicle used in soliciting in this
42 State. so employed. Counties, cities and towns may levy a tax upon such persons, firms or
43 corporations not in excess of that levied by the State.

1 (d) Scope. A person, firm, or corporation required to be licensed under this
2 section is not required to procure the license under G.S. 105-102.5 for the same
3 location.

4 (e) Local Licenses. A municipality may tax each place of business taxed under
5 subsection (a) that is located in the municipality. The tax may not exceed the rate
6 provided in subsection (a). Counties and municipalities may tax each business taxed
7 under subsection (c). The tax may not exceed the rate provided in subsection (c).
8 ~~Counties, cities and towns, respectively, may levy a license tax not in excess of twelve dollars~~
9 ~~and fifty cents (\$12.50) on any person, firm, or corporation engaged in the business of laundry~~
10 ~~work and/or supplying or renting clean linen or towels or wearing apparel in instances when~~
11 ~~said work is performed outside the said county or town, or when the linen or towels or wearing~~
12 ~~apparel are supplied by business outside said county or town. Cities and towns may levy a~~
13 ~~license tax not in excess of fifty dollars (\$50.00) on any other person, firm or corporation~~
14 ~~engaged in the business of laundry work and/or supplying or renting clean linen or towels or~~
15 ~~wearing apparel. Counties, cities and towns may not collect a privilege license tax under this~~
16 ~~section unless the State license tax, if due, has been first paid."~~

17 Sec. 3. This act becomes effective July 1, 1991.