

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 107

Finance Committee Substitute Adopted 4/25/91

House Committee Substitute Favorable 6/25/91

Short Title: License Tax Administration Changes.

(Public)

Sponsors:

Referred to:

February 20, 1991

A BILL TO BE ENTITLED

AN ACT TO SIMPLIFY AND MODERNIZE PRIVILEGE LICENSE TAXES  
RELATING TO DRY CLEANERS AND LAUNDRIES.

The General Assembly of North Carolina enacts:

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

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

(a) Location License. Every ~~person-person, firm, or corporation~~ engaging in the business of operating a ~~dry cleaning plant, pressing club-cleaning, pressing, or hat blocking establishment-business~~ shall apply for and ~~procure-obtain~~ from the Secretary of Revenue a State license for each place of business and shall pay a license tax. The license tax is for the privilege of conducting such a business, and shall pay for such license a tax of fifty dollars (\$50.00). engaging in the business. If a place of business does not solicit outside the county where the place of business is located, the license tax is fifty dollars (\$50.00). If a place of business solicits outside the county where the place of business is located, the license tax is one hundred dollars (\$100.00).

~~Every person, firm, or corporation, soliciting cleaning work and/or pressing in any city or town where the actual cleaning and/or pressing is done in a cleaning plant or press shop located outside the city or town wherein said cleaning work and/or pressing is solicited shall procure from the Secretary of Revenue a State license for the privilege of soliciting in said city or town, and pay for the same a tax of fifty dollars (\$50.00). 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~~ firm, or corporation engaged in the  
4 business of soliciting dry cleaning ~~and/or or~~ pressing work to be done by a ~~dry cleaning~~  
5 ~~plant which has not paid a~~ place of business that is not liable for the State license tax  
6 ~~levied herein in subsection (a) shall pay a tax of two hundred dollars (\$200.00) one~~  
7 ~~hundred dollars (\$100.00).~~ for each vehicle used in carrying the dry cleaning and/or pressing  
8 ~~work, and the license issued by the Secretary of Revenue shall be carried. The holder of a~~  
9 ~~soliciting license shall carry the license in the cab of any vehicle so employed. used in~~  
10 ~~soliciting in this State.~~

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

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

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

23 ~~Definitions:~~ (d) Definitions. ~~For the purpose of this section, the~~ The following  
24 ~~definitions shall apply: apply in this section:~~

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

32 (2) Place of business. A fixed place at which a business is maintained.

33 (3) 'Soliciting' as used herein shall mean the acceptance of any Soliciting.  
34 Accepting an article or a garment to be dry cleaned and/or pressed. or  
35 pressed by taking physical possession of the article or garment.

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

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

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

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

44 "**§ 105-85. Laundries.**

1 (a) Laundry License. Every person, firm, or corporation engaged in the business  
2 of operating a laundry, ~~including wet or damp wash laundries and businesses known as~~  
3 ~~"laundrettes," "laundralls" and similar type businesses, where steam, electricity, or~~  
4 ~~other power is used, or who engages in laundry, or engaged in~~ the business of supplying  
5 or renting clean linen or towels linen, towels, or wearing apparel, shall apply for and  
6 obtain from the Secretary of Revenue a State license for each place of business and shall  
7 pay a license tax. The license tax is for the privilege of engaging in such business, and  
8 shall pay for such license a tax of fifty dollars (\$50.00). the business. If a place of  
9 business does not solicit outside the county where the place of business is located, the  
10 license tax is fifty dollars (\$50.00). If a place of business solicits outside the county  
11 where the place of business is located, the license tax is one hundred dollars (\$100.00).

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

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

25 (2) Place of business. A fixed place at which a business is maintained.

26 (3) Soliciting. Accepting an article or a garment to be laundered by taking  
27 physical possession of the article or garment.

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

40 (c) Soliciting License. Every person, ~~firm~~ firm, or corporation engaged in the  
41 business of soliciting laundry work to be done by a laundry or plant which has not paid  
42 place of business that is not liable for the State license tax levied herein in subsection (a)  
43 shall pay a tax of two hundred dollars (\$200.00) one hundred dollars (\$100.00). for each  
44 vehicle used in carrying the laundry work, and the license issued by the Secretary of Revenue

1 ~~shall be carried~~ The holder of a soliciting license shall carry the license in the cab of any  
2 vehicle used in soliciting in this State. ~~so employed. Counties, cities and towns may levy a~~  
3 ~~tax upon such persons, firms or corporations not in excess of that levied by the State.~~

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

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

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