

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 107

Short Title: License Tax Administration Changes.

(Public)

Sponsors: Senators Winner, Kincaid, and Staton.

Referred to: Finance.

February 20, 1991

A BILL TO BE ENTITLED

AN ACT TO SIMPLIFY AND MODERNIZE CERTAIN PRIVILEGE LICENSE TAXES TO IMPROVE ADMINISTRATION OF THE TAXES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-61 reads as rewritten:

"§ 105-61. ~~Hotels, motels, tourist courts and tourist homes.~~ and other businesses that rent to transients.

(a) License. Every person, firm, or corporation engaged in the business of operating ~~any hotel or motel, a hotel, motel, tourist court, tourist home, or similar place~~ advertising in any manner for transient patronage, or soliciting such business, business for transient patronage and every person who rents a private residence to transient patrons shall apply for and procure from the Secretary of Revenue a State license for the privilege of transacting or engaging in such business, the business. A rental agent who offers a private residence for rent on behalf of the owner is responsible for obtaining the license required by this section on behalf of the owner, and shall pay for such license a tax of two dollars (\$2.00) per room. The minimum tax shall be fifty dollars (\$50.00).

(b) Tax. The license tax is two dollars (\$2.00) per room subject to a minimum tax of fifty dollars (\$50.00) per license. This tax is in addition to the tax levied in G.S. 105-62 for the sale of prepared food.

For the purpose of this section, the lobby, clubroom, office, dining room, kitchen and rooms occupied by the owner or lessee of the premises, or members of ~~his~~ the owner or lessee's family, for his or their personal or private use, shall not be counted in determining are not included in the number of rooms for the basis of the tax. The tax herein levied shall be in addition to any tax levied in G.S. 105-62 for the sale of prepared food.

1 (c) Scope. This section does not apply to a private residence offered for rent to  
2 transient patrons for fewer than 15 days in a license year. As used in this section, the  
3 term 'residence' includes a house, a cottage, an apartment, a condominium, or another  
4 dwelling.

5 (d) Local Licenses. Counties may not levy a license tax on the business taxed  
6 under this section, but cities and towns may levy a license tax of up to one-half of the  
7 minimum tax levied by the State.

8 ~~(b) Hotel as referred to in this section shall be given its general or customary~~  
9 ~~meaning; that is, a building or group of buildings providing lodging and usually (but not~~  
10 ~~necessarily) meals, entertainment, and various personal services for the public.~~

11 ~~Motel as referred to in this section shall be given its general or customary meaning;~~  
12 ~~that is, a building or group of buildings in which the rooms usually are directly~~  
13 ~~accessible from an outdoor parking area and which are used primarily as lodgings for~~  
14 ~~the public.~~

15 ~~In addition to hotels and motels, there is included within the meaning of this section~~  
16 ~~tourist courts, tourist homes and similar places—including, but not limited to, tourist~~  
17 ~~camp, semidetached apartments, resort lodgings and detached structures whenever the~~  
18 ~~operator advertises in any manner for transient patronage, or solicits such business. The~~  
19 ~~principal test of liability is the use of such places for temporary abode by transient~~  
20 ~~patrons. Such patrons are defined as staying for a short time, stopping for a brief period~~  
21 ~~only, not permanent.~~

22 ~~(c) It is immaterial for the purposes of this section whether the rental to patrons is~~  
23 ~~on a daily, weekly, biweekly or monthly basis, and it is also immaterial, as to any~~  
24 ~~particular room, whether such room is occupied by a "permanent" guest.~~

25 ~~(d) "Advertising in any manner" within the meaning of this section shall be~~  
26 ~~broadly construed to cover any media of advertising whereby the availability of the~~  
27 ~~accommodations may be made known and includes, but is not limited to, signs,~~  
28 ~~placards, folders, newspaper ads, classified ads, listings in commercial or tourist~~  
29 ~~circulares and any other form or means whereby the accommodations may be publicized.~~  
30 ~~Soliciting such business includes every form of solicitation, or listings with boards of~~  
31 ~~trade or chambers of commerce, by a hotel, motel, or any other place referred to herein~~  
32 ~~accommodating transient patrons.~~

33 ~~(e) A single private residence or cottage designed for single family occupaney,~~  
34 ~~located in a resort area, and occupied during a part of the season by the owner or owners~~  
35 ~~thereof but rented the remainder of the season to others for single family occupaney,~~  
36 ~~shall be exempt from the tax imposed in this section. All such private residences or~~  
37 ~~cottages, in excess of one, so located, owned, occupied and rented shall be subject to the~~  
38 ~~tax imposed in this section.~~

39 ~~(f) Counties shall not levy any license tax on the business taxed under this~~  
40 ~~section, but cities and towns may levy a license tax not in excess of one half of the base~~  
41 ~~tax levied by the State."~~

42 Sec. 2. G.S. 105-74 reads as rewritten:

43 "**§ 105-74. Pressing clubs, dry cleaning plants, and hat blockers.**

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

11       Every person, firm, or corporation, ~~soliciting cleaning work and/or pressing in any~~  
12 ~~city or town where the actual cleaning and/or pressing is done in a cleaning plant or~~  
13 ~~press shop located outside the city or town wherein said cleaning work and/or pressing~~  
14 ~~is solicited shall procure from the Secretary of Revenue a State license for the privilege~~  
15 ~~of soliciting in said city or town, and pay for the same a tax of fifty dollars (\$50.00).~~  
16 This shall not apply to soliciting in cities or towns where there is no cleaning plant,  
17 press shop or established agency with fixed place of business, provided that the solicitor  
18 shall have paid a State and municipal license tax in this State.

19       (b) Soliciting License. Every person, firm or corporation engaged in the business  
20 of soliciting dry cleaning ~~and/or or~~ pressing work to be done by a dry cleaning plant which  
21 ~~has not paid an~~ establishment that is not liable for the State license tax levied ~~herein in~~  
22 subsection (a) shall pay a tax of ~~two hundred dollars (\$200.00)~~ one hundred dollars  
23 (\$100.00). ~~for each vehicle used in carrying the dry cleaning and/or pressing work, and the~~  
24 ~~license issued by the Secretary of Revenue shall be carried.~~ The license holder shall carry the  
25 license in the cab of any vehicle ~~so employed.~~ used in soliciting in this State.

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

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

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

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

- 39       (1) Dry cleaning, pressing, or hat blocking establishment. A place of  
40 business where the service 'Dry cleaning, and/or hat blocking, and/or  
41 pressing establishments' shall mean any place of business,  
42 establishment or vehicle wherein the services of dry cleaning, wet  
43 cleaning as a process incidental to dry cleaning, spotting and/or

1                   spotting, pressing, ~~finishing and/or finishing~~, or reblocking hats,  
2                   garments, or wearing apparel of any kind is performed.

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

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

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

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

12                  Sec. 3. G.S. 105-85 reads as rewritten:

13 **"§ 105-85. Laundries.**

14                  (a) Laundry License. Every person, firm, or corporation engaged in the business  
15 of operating a laundry, ~~including wet or damp wash laundries and businesses known as~~  
16 ~~"laundrettes;" "laundralls" and similar type businesses, where steam, electricity, or~~  
17 ~~other power is used, or who engages in laundry or engaged in~~ the business of supplying  
18 or renting clean linen or towels or wearing apparel, shall apply for and obtain from the  
19 Secretary of Revenue a State license for the privilege of engaging in ~~such business, and~~  
20 ~~shall pay for such license a tax of fifty dollars (\$50.00).~~ the business. If the place of  
21 business does not solicit work in a municipality or an unincorporated county area other  
22 than the municipality or unincorporated county area in which the place of business is  
23 located, the license tax is fifty dollars (\$50.00). If the place of business solicits work in  
24 a municipality or an unincorporated county area other than the municipality or  
25 unincorporated county area in which the place of business is located, the license tax is  
26 one hundred dollars (\$100.00).

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

28                  (1) Laundry. A business where steam, electricity, or other power is used  
29 to clean fabric, including a wet or damp wash laundry, a laundrette, a  
30 laundrall, or a similar business. The term 'laundrettes and  
31 laundralls' means ~~'Laundrettes and laundralls' shall mean~~ commercial  
32 establishments in which automatic washing machines and dryers are  
33 installed for the use of individual customers, including those which  
34 contain coin-operated or coin-activated washing machines. However,  
35 ~~'laundrettes and laundralls' shall~~ the term does not include persons who  
36 own or operate apartment buildings in which they provide such  
37 machines for the exclusive use and convenience of tenants therein, nor  
38 shall such persons be considered to be engaged in any 'similar type  
39 business.'

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

41                  ~~Every person, firm, or corporation soliciting laundry work or supplying or renting~~  
42 ~~clean linen or towels or wearing apparel in any city or town, outside of the city or town~~  
43 ~~wherein said laundry or linen supply or towel supply or wearing apparel supply business~~  
44 ~~is established, shall procure from the Secretary of Revenue a State license and shall pay~~

1 for such license a tax of fifty dollars (\$50.00) for the privilege of soliciting therein. The  
2 additional tax levied in this paragraph shall apply to the soliciting of laundry work or  
3 linen supply or towel supply work or wearing apparel supply work in any city or town  
4 in which there is a laundry, linen supply or towel supply or wearing apparel supply  
5 establishment located in the said city or town. The soliciting of business for or by any  
6 person, firm, or corporation engaged in the business of laundry work and/or supplying  
7 or renting clean linen or towels or wearing apparel shall and the same is hereby  
8 construed to be engaging in the said business.

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

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

20 (e) Local Licenses. A municipality may tax each place of business taxed under  
21 subsection (a) that is located in the municipality. The tax may not exceed the rate  
22 provided in subsection (a). Counties and municipalities may tax each business taxed  
23 under subsection (c). The tax may not exceed the rate provided in subsection (c).  
24 Counties, cities and towns, respectively, may levy a license tax not in excess of twelve dollars  
25 and fifty cents (\$12.50) on any person, firm, or corporation engaged in the business of laundry  
26 work and/or supplying or renting clean linen or towels or wearing apparel in instances when  
27 said work is performed outside the said county or town, or when the linen or towels or wearing  
28 apparel are supplied by business outside said county or town. Cities and towns may levy a  
29 license tax not in excess of fifty dollars (\$50.00) on any other person, firm or corporation  
30 engaged in the business of laundry work and/or supplying or renting clean linen or towels or  
31 wearing apparel. Counties, cities and towns may not collect a privilege license tax under this  
32 section unless the State license tax, if due, has been first paid."

33 Sec. 4. This act becomes effective July 1, 1991.