

MCA officers and lobbyist, Frank Boston, are gearing up to meet key House and Senate members this summer and press for removal of the sales tax on carwashes.

DÉJÀ VU ALL OVER AGAIN

Steve Burton is the current president of the Rocky Mountain Car Wash Association. For him, HB 448 is, to paraphrase Yogi Berra, “déjà vu all over again.” During Rocky Mountain Car Wash Association’s legislative crisis, which coincided with a severe drought, membership was galvanized with 100 paying members. Most members, he said, were in Colorado.

Burton owns a carwash in Brighton, Colorado, that was the scene of one town’s attempt to tax specific services. In late 2003, Brighton’s council passed a law taxing coin-operated car washes – the four within city limits - and laundromats. The local lawmakers wanted to collect a tax of 3.75%, to generate about \$50,000 a year in revenue.

“They went after the little guys,” said an indignant Burton. He added: “The laundromats were mom and pop operations, less likely to organize in associations.” However, to the Town’s dismay, the carwash and laundromat operators threatened to sue the Town claiming that they had failed to follow state law by not putting the new tax up for a referendum. After a great deal of public relations work by the carwash and laundromat operators, the Town withdrew the tax in early 2004 because the cost of the vote was more than the expected tax revenue. “No way they’d win an election on this issue,” stated Burton.

The Denver Post article on the ruckus reported: “Laundry owner Will Bostrom has been perhaps the most vocal critic and has refused to pay the tax. The tax, he acknowledged, may be only about 6 cents per wash. But how are his customers supposed to pay that? His machines take quarters only. “I’ve already assured my customers I won’t raise my rates,” he said. “If this happens, it’s coming out of my pocket. My customers are low-income. They can’t afford it.”

NO MORE SMOKE TO HIDE THE MIRRORS

Mr. DuGoff noted Maryland politicians brought the economic crisis

on the state. “Nationwide, the Federal government is shifting its obligations to the states. Things like healthcare, MediCare, transportation,” he said. “It’s balancing the Federal budget by making states provide these services. Maryland was in good shape through the middle of (former Governor Parris) Glendening’s second term. Since then the politicians have been cutting taxes and living off the reserves. Maryland was still borrowing from trust funds at the end of its last budget cycle. Now, the reserves are gone. There’s no more smoke to hide the mirrors.”

The Maryland State Chamber of Commerce opposed the bill, as did several local chambers. Groups like the National Federation of Independent Businesses, accountants and civil engineers also opposed the bill. The League of Women Voters and the Maryland Association of Nonprofit Organizations supported HB 448 as one of several options the state needs to consider to handle the state’s looming deficit.

Annapolis-based resident, Wendi Winters, is a freelance writer, public relations consultant and Manhattanite-in-exile. Currently writing for *The Capital* and *What’s Up Annapolis*, her articles have also been published by Associated Press, Copley News Service and many other publications.

Excerpted from Maryland HB 448.

Maryland HB 448 would extend the sales tax on the following services in uppercase. (Items in lower case are already subject to the sales tax.)

“Taxable service” means:

- (1) fabrication, printing, or production of tangible personal property by special order;
- (2) commercial cleaning or laundering of textiles for a buyer who is engaged in a business that requires the recurring service of commercial cleaning or laundering of the textiles;
- (3) cleaning of a commercial or industrial building;
- (4) cellular telephone or other mobile telecommunications service;
- (5) “900”, “976”, “915”, and other “900”-type telecommunications service;
- (6) custom calling service provided in connection with basic telephone service;
- (7) a telephone answering service;
- (8) CABLE TELEVISION, INCLUDING pay per view television service;
- (9) credit reporting;
- (10) a security service, including:
 - (I) a detective, guard, or armored car service; and

- (II) a security systems service;
- (11) a transportation service for transmission, distribution, or delivery of electricity or natural gas, if the sale or use of the electricity or natural gas is subject to the sales and use tax; [or]
- (12) a prepaid telephone calling arrangement;
- (13) A MOTOR VEHICLE MAINTENANCE OR REPAIR SERVICE, INCLUDING:
 - (I) A MOTOR VEHICLE MAINTENANCE OR REPAIR SERVICE CONTRACT OR EXTENDED WARRANTY CONTRACT;
 - (II) MOTOR VEHICLE WASHING AND WAXING SERVICES;
 - (III) ROAD SERVICE AND TOWING SERVICE; AND
 - (IV) MOTOR VEHICLE PAINTING, RUSTPROOFING, AND UNDERCOATING;
- (14) A PARKING FACILITY OR SERVICE;
- (15) A BARBER OR BEAUTY SERVICE;
- (16) A TANNING, MASSAGE, OR PHYSICAL FITNESS FACILITY OR SERVICE;
- (17) A DOCKING OR LANDING SERVICE;
- (18) AN ENGINEERING SERVICE;
- (19) A STORAGE SERVICE, INCLUDING HOUSEHOLD GOODS STORAGE, MINISTORAGE, AND COLD STORAGE;
- (20) A SHOE REPAIR SERVICE;
- (21) A TAX PREPARATION SERVICE;
- (22) A SAUNA OR STEAM BATH FACILITY OR SERVICE;
- (23) A WEIGHING MACHINE SERVICE;
- (24) A PUBLIC LOCKER RENTAL OR SERVICE;
- (25) A DATING OR ESCORT SERVICE;
- (26) A DIETING SERVICE;
- (27) A DIRECT MAIL ADVERTISING SERVICE;
- (28) A COMMERCIAL PHOTOGRAPHIC OR ART SERVICE;
- (29) A STENOGRAPHIC SERVICE;
- (30) AN EXTERMINATING SERVICE;
- (31) A PERSONNEL SUPPLY SERVICE, INCLUDING:
 - (I) AN EMPLOYMENT AGENCY SERVICE; OR
 - (II) A TEMPORARY HELP SERVICE;
- (32) A MANAGEMENT, MANAGEMENT CONSULTING, PUBLIC RELATIONS, OR OTHER BUSINESS CONSULTING SERVICE;
- (33) A REAL PROPERTY MANAGEMENT SERVICE;
- (34) A TESTING LABORATORY SERVICE;
- (35) A SIGN PAINTING SERVICE;
- (36) AN INTERIOR DECORATING SERVICE;
- (37) AN AUCTIONEERING SERVICE;
- (38) A BUSINESS BROKERAGE SERVICE;
- (39) A DRAFTING SERVICE;
- (40) AN INDEPENDENT LECTURE BUREAU SERVICE;
- (41) A PRINTING BROKERAGE SERVICE;
- (42) A NOTARY PUBLIC SERVICE; OR
- (43) A SHOP WINDOW DECORATING SERVICE.