

Services and Intangibles Definitions

(a.) Services:

i) Personal Care:

(1) Salons, Hair Care, and Nail Care Services:

(1) "Beauty salon" or salon means a building or any place, or part of a place or building including, but not limited to, a rental booth, in which cosmetology is performed on the general public for compensation.

(2) "Cosmetology" means engaging in any of these practices or a combination of these practices when done for compensation either directly or indirectly:

(a) arranging, styling, thermal curling, chemical waving, pressing, shampooing, cutting, shaping, chemical bleaching, chemical coloring, chemical relaxing, or similar work, upon the hair, wig, or hairpiece of any person, by any means, with hands or mechanical or electrical apparatus or appliances;

(b) using cosmetic preparations, make-up, antiseptics, lotions, creams, chemical preparations on, or otherwise, or waxing, tweezing, cleansing, stimulating, manipulating, beautifying, or similar work on the scalp, legs, feet, face, neck, arms, hands; or

(c) manicuring or pedicuring the nails of a person or similar work.

(3) "Cosmetologist" means a person including, but not limited to, an

independent contractor, not a student, who is licensed to practice cosmetology.

(2) Day Spa Services – Facials, Makeovers, etc

Definition of Facials and Makeovers: The subject of manual, electrical and chemical facials shall include, but is not limited to the following techniques and procedures: Manual Facials including cleansing, scientific manipulations, packs, and masks. Electrical Facials include the use of electrical modalities, dermal lights and electrical apparatus, for facials and skin care purposes; however, machines capable of producing an electrical current shall not be used to stimulate so as to contract, or for the purpose of contracting, the muscles of the body or face. Chemical Facials include chemical skin peels, packs, masks and scrubs.

(3) Massage

- (1) "Massage/bodywork therapist" means a person who administers massage/bodywork therapy for compensation.
- (2) "Massage/bodywork therapy" means the application of a system of structured touch of the superficial tissues of the human body with the hand, foot, arm, or elbow whether or not the structured touch is aided by hydrotherapy, thermal therapy, a massage device, human hands, or the application to the human body of an herbal preparation.
- (3) "Massage device" means a mechanical device which mimics or enhances the actions possible by the hands by means of vibration.

(4) "Thermal therapy" means the use of ice or a heat lamp or moist heat on superficial tissues.

(4) Tanning Facilities

(1) "Tanning facility" means a location, place, area, structure, or business or a part of a location, place, area, structure, or business which provides consumers access to tanning equipment for a fee.

(2) "Tanning Equipment" includes ultraviolet or other lamps and equipment containing these lamps, or equipment which disperses of skin coloring chemicals, either of which is intended to induce skin tanning through the irradiation of any part of the living human body with ultraviolet radiation or skin coloring chemicals.

(5) Weight Loss Salons and Weight Counselors

Definition:

Any facility, independent contractor, or individual who charges a fee for individual or group support meetings, the development of personalized weight loss goals and weight loss plans, or manages and supports lifelong life style changes related to a person's body weight.

(6) Piercing:

(1) "Piercing" means the creation of an opening in the body of a human being for a fee by a "facility" or "technician" as defined below so as to create a permanent hole for the purpose of inserting jewelry or other decoration. This includes, but is not limited to, piercing of an ear, lip, tongue, nose, or eyebrow. "Body piercing" for the purpose of this chapter does include

piercing an ear lobe with a disposable, single-use stud or solid needle that is applied using a mechanical device to force the needle or stud through the ear lobe.

(2) "Body piercing facility" means any room, space, location, area, structure, or business, or any part of any of these places, where body piercing is practiced or where the business of body piercing is conducted.

(3) "Body piercing technician" means a person who practices body piercing and who meets the requirements of this chapter.

(7) Tattooing

(1) Any "facility" or "artist" as defined below that charges a fee for "Tattoo or tattooing" which means indelibly marking or coloring the skin by subcutaneous introduction of nontoxic dyes or pigments.

(2) "Tattoo or piercing facility or parlor" means any room, space, location, area, structure, or business, or any part of any of these places, where tattooing is practiced or where the business of tattooing is conducted.

(3) "Tattoo artist" means a person who practices body tattooing and who meets the requirements of this chapter.

ii) Photo Finishing

Any person, independent contractor or retail establishment engaged in the act or business of developing camera films or printing photographs for customers for a fee.

iii) Cleaning, Maintenance, and Repairs

(1) Carpets and Floors

(1) The term “carpet” or “floor” includes but is not limited to: cloth from synthetic or natural substances, carpets, rugs, mats, wood paneling, and matting; linoleum, other materials for covering existing floors and wall hangings.

(2) Cleaning of “carpets” includes, but is not limited to, the preparation or application manually or by machine for a fee to polish, scour, cause abrasive preparations, soap, dye, perfume, lacquer, preserve, resin, or remove soil and or stains or colorings.

(2) Windows

(1) The term window includes, but is not limited to an opening constructed in a wall or roof that functions to admit light or air to an enclosure and is often framed and spanned with glass mounted to permit opening and closing, or a framework enclosing a pane of glass for such an opening, or a pane of glass or similar material enclosed in such a framework.

(2) Cleaning of “windows” includes, but is not limited to, the preparation or application manually or by machine for a fee to polish, scour, cause abrasive preparations, soap, dye, lacquer, preserve, resin, or remove soil, stains, colorings or any other substance.

(3) Commercial Janitorial Services

“Commercial janitorial services” include business entities, individuals, or private contractors who for a fee attend to the maintenance or cleaning of any part of a commercial or industrial building.

(4) Furniture and Upholstery Repair and Refinishing

(1) Furniture includes, but is not limited to, the movable articles in a room or an establishment that make it fit for living or working, lighting fixtures, mirrors, picture frames; and other similar articles made of wood, cork, reeds, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum, celluloid, substitutes for all these materials, or of plastics

(2) Refinishing and reupholstering includes the application either manually or by machine for a fee of paints, varnishes, lacquers, preservatives against rust and against deterioration of wood, coloring matters, dyestuffs, resins, metals in foil and powder form for painters and decorators, cloth, stuffing, leather, or other substances commonly used in "furniture" as defined above.

(5) Swimming Pool and Hot Tub Cleaning and Repair

(1) "Swimming Pool" means an artificial structure used to impound water to provide for such recreational uses as bathing, swimming, diving, wading, spraying, sliding, floating, rafting, or other similar usage.

(2) "Hot Tub" means a tub or pool made of ceramic, acrylic, wood, or another substance and filled with hot water in which one or more bathers may soak, often having jets of warm water that can be directed toward a body part as for therapeutic purposes.

(3) Cleaning of "swimming pools" and "hot tubs" includes, but is not limited to, the preparation or application manually or by machine for a fee to polish, scour, cause abrasive preparations, soap, dye, lacquer, preserve, resin, seal,

sanitize, sustain a desire water quality, or remove soil, stains, colorings or any other substance.

iv) Climate Control System or Infrastructure Maintenance and Repair

“Climate Control Systems and Infrastructure” include any machine, boiler, pump, furnace, or duct system used to heat or cool water, steam, or air, used for heating, ventilating, air conditioning, climate control, thermal comfort, acceptable indoor air quality, humidity control or the maintain pressure relationships between spaces.

“Repair,” “labor” and maintenance mean to charge a fee for planning changes or improvements, inspection costs, connection or hookup charges, installation or physical improvements, upgrading, updating, expanding, or replacing existing capital improvements to provide better service or improve the functionality of a tangible good; and costs incurred for construction, reconstruction, system improvements, restoration to original form including design, acquisition, engineering or similar actions applied to a tangible good.

v) Residential and Commercial Property Pest Control and Exterminating

“Pest Control” includes fees for the services or labor involved in eliminating or controlling the presence, growth, or spread of ants, crickets, spiders, cockroaches, rodents, carpet beetles, flies of any type, mosquitoes, stinging and biting pests such as bees, hornets, fleas, ticks, beetles, weevils, or other similar pests. This provision does not apply to property that has been classified as “agricultural” or “timberland” for property taxation purposes.

vi) Professional Security Systems—consulting, installation, and monitoring

“Professional Security System” includes a physical or virtual method provided for a fee for providing security for physical property and individuals, information, computing systems, financial, human, food, etc. in commercial or residential settings. Examples include burglar alarms, human security or body guards, monitoring equipment or personnel. Any charges other than those collected for sale of equipment for such services will be considered a sale of services.

vii) Commercial Art, Graphic Design, Document Preparation

“Commercial Art, Graphic Design, and Document Preparation” includes the service for a fee of designing print or electronic forms of visual information, as for an advertisement, publication, or website, or preparing similar items in tangible form.

viii) Miscellaneous Repair, Installation, Labor, and Fabrication

“Repair” or “labor” means to charge a fee for planning changes or improvements, inspection costs, connection or hookup charges, installation or physical improvements, upgrading, updating, expanding, or replacing existing capital improvements to provide better service or improve the functionality of a tangible good; and costs incurred for construction, reconstruction, system improvements, restoration to original form including design, acquisition, engineering or similar actions applied to a tangible good. This definition applies to all items listed in this section.

(1) Home Appliance Repair

“Home appliances” are electrical/mechanical appliances which accomplish some household function, such as cooking or cleaning. Examples include, but are not limited to, refrigerators, stoves and ovens, vacuums, water softeners and water pumps, dish washing, and clothes drying or washing machines.

(2) Home and commercial entertainment equipment and electronic goods repair

“Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities. Examples of these items include, but are not limited to, televisions, computers, stereos, or radio equipment of any type, cameras, video cameras.

(3) Computer repair, hardware upgrading, maintenance

“Repair and Maintenance” in this section also includes the building or configuring new hardware, installing and updating software packages, and creating and maintaining computer networks. These activities include, but are not limited to, physical and investigative processes, including technical support, data recovery, system administration, or information systems.

“Repair and maintenance” can range from correcting a minor setting that is incorrect, removal of spyware, viruses, and tasks such as replacing hardware or an entire software operating system, installing, uninstalling, or reinstalling various software packages.

“Hardware” refers to units limited to a location (desktops, mainframes and supercomputers) and more portable (laptop and handheld) devices, as well as a range of peripherals, including input devices like keyboards, mice, and scanners, output devices like displays, printers, and speakers, and data storage devices ranging from external hard drives to specialized high-storage desktop computers called servers, networking hardware, including routers, switches, fiber optics, and wireless networks.

“Software” in this section refers to a user's data and settings, data, adjusting one or several settings or preference, or programs designed to execute commands or process data.

(4) Office Equipment

A “photocopier or copier” is a machine that makes paper copies of documents and other visual images quickly and cheaply using heat, Verifax, Photostat, carbon paper, mimeograph machines, and other duplicating machines.

“Communication Equipment” includes communication systems or equipment used for internal or external communication, and examples include intercoms, intercommunication system (a communication system linking different rooms within a building or ship, etc) P.A. systems, radio, wireless (a communication system based on broadcasting electromagnetic waves), two-way radio communication system (usually microwave); part of a more extensive telecommunication network, telecom equipment, telecom systems, telecommunication equipment, telecommunication systems (a communication system for communicating at a distance), phone system, communication systems (facility consisting of the physical plants and equipment for disseminating information,” communication equipment, booster amplifiers, booster stations, relay links, relay stations, relay transmitters, boosters (an amplifier for restoring the strength of a transmitted signal), fiber-optic transmission system (communication system using fiber optic cables) infrastructure, a communication system consisting of a group of broadcasting stations that all transmit the same programs, any electronic equipment that receives or transmits radio or tv signals.

(5) Musical Instrument Repair

“Musical Instrument” means any of various devices or contrivances that can be used to produce musical tones or sounds including wind, string, brass, or percussion instruments.

(6) Sporting Goods Repair, Maintenance, or Custom Fitting and Design (e.g., racket re-stringing, bike, gun repair)

“Sporting Goods” includes activity specific equipment or clothing needed to participate in a particular sport and includes but is not limited to mean racquets, hunting weapons or firearms of any type, bikes, golf clubs, balls, field or environment set-up equipment or transportation for facilitating participation such as manufactured goals, fencing or boundary setting equipment, or golf carts.

ix) Garment Altering

Any adjustment, change, modification, restoration or custom fitting or design of previously made clothing or shoes for a fee.

x) Storage

(1) Mini-storage

“Storage” means space, or defined “units,” leased or temporarily rented to individuals for a fee, usually used for storing household goods, or to small businesses, usually storing excess inventory or archived records. The rented spaces, commonly known as "units", are commonly, but not necessarily, secured by the tenant's own lock and key.

(2) Climate Controlled Storage

“Climate controlled storage” includes storage facilities as defined above, but also equipment designed to house or store tangible items with the purpose that the facility will control humidity or temperature levels. Similarly, facilities intended to prevent mold or mildew and other moisture problems through other means fall into this category, and other specially tailored facilities for perishable goods such as vegetables, meats, tobacco products, wines, medical products or other chemicals are included.

(3) Marina Storage and Towing

“Marina” means a facility which provides mooring or dry storage for watercraft for a fee, or someone commercially engaged in the business of towing or pulling another boat by request for a fee.

“Watercraft” includes any thing used or capable of being used as a means of transportation on the water but does not include: a seaplane regulated by the federal government, water skis, aquaplanes, surfboards, windsurfers, tubes, rafts, and similar devices or any thing that does not meet construction or operational requirements of the state or federal government for watercraft.

xi) Transportation or Transport Vehicle Repair and Maintenance

“Repair” or “labor” means to charge a fee for planning changes or improvements, inspection costs, connection or hookup charges, installation or physical improvements, upgrading, updating, expanding, or replacing existing capital improvements to provide better service or improve the functionality of a tangible good; and costs incurred for construction, reconstruction, system improvements, restoration to original form including design, acquisition, engineering or similar actions applied to a tangible good. This definition applies to all items listed in this section.

“Transportation or transport vehicle” includes, automobiles, motorcycles, trucks, limousines, commercial transport trucks, recreational vehicles, watercraft as defined above, commercial or military vessels and barges, commercial fishing vessels, railroad cars, locomotives, monorail cars, and the engines or motors that propel them, and their parts.

xi) Pet Grooming and Pet Care

“Pet Grooming” includes, but is not limiting to activities including preening, hygienic activities (caring for physical appearance), hair or fur trimming.

“Pet Care” involves the kenneling or leaving of an animal in the care of another for a fee.

xii) Publishing (newspapers and magazines)

Any person, independent contractor, or business that charges a fee for the business of issuing printed matter for sale or distribution.

xiii) Taxidermy

The preparation, stuffing, or mounting the skin of any fish, reptile, amphibian, bird, or mammal for another person for a fee.

(b.) Intangibles:

i) Digital Goods

The major changes in this area regard taxing digital products and downloadable software. Examples of digital products that would be taxed under this proposal include digital books, music and ringtones. The convenience of purchasing and storing digital media will likely continue to grow at an accelerated pace. This growth will also cannibalize traditional sales of

tangible books, music media, and off the shelf software. The taxation of digital forms of these goods will ensure that tax revenues keep pace with changes in the mix of sales of digital and tangible media.

ii) Software

Legislation traditionally limited taxable software on to items that were delivered in tangible form. For instance, computer programs or games bought off of shelves at a brick and mortar retailer would have been one of the few forms of taxable software. Software now comes in an array of different forms, including downloadable software directly off of the internet. In addition to taxing downloadable software, sales of custom programmed software would be taxable under this proposal.

iii) Data Processing

Data processing formally means, “the manipulation of information furnished by a customer through all or part of a series of operations involving an interaction of procedures, processes, methods, personnel, and computers.” It also means the electronic transfer of or access to that information. Examples of data processing include, without limitation, summarizing, computing, extracting, storing, retrieving, sorting and sequencing data, and the use of computers to accomplish these tasks. Many of these services have traditionally been exempt. TRAC’s proposal seeks to update current legislation to capture revenue from growth in these service areas.

iv) Electricity

Electricity currently receives a full exemption for residential use in South Carolina. TRAC proposes a sales tax rate on electricity equal to fifty percent of the full sales tax rate

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imposed by South Carolina. This reduced rate mimics the reduced sales tax rate residents pay in North Carolina (Georgia applies the standard full sales and use tax rate to electricity).