

RULE

**Department of Revenue
Policy Services Division**

Cleaning Services (LAC 61:I.4301)

Under the authority of R.S. 47:301 and R.S. 47:1511 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, has amended LAC 61:I.4301 relative to the definition of cleaning services for sales tax purposes.

Revised Statute 47:301(14)(e) defines *sales of services* to include "The furnishing of laundry, cleaning, pressing and dyeing services, including by way of extension and not of limitation, the cleaning and renovation of clothing, furs, furniture, carpets and rugs, and the furnishing of storage space for clothing, furs and rugs." In *Intracoastal Pipe Service Co., Inc. v. Assumption Parish Sales and Use Tax Department, et al.*, 558 So.2d 1296 (La. 1990), the Louisiana Supreme Court ruled that the furnishing of taxable cleaning services under the statute is limited to items like fabric or fur and that cleaning services for pipes, tanks, barges, vehicles, and similar items are not subject to sales tax. These amendments provide guidance concerning the types of transactions that are subject to sales tax under existing legal interpretations.

Title 61

REVENUE AND TAXATION

**Part I. Taxes Collected and Administered by the
Secretary of Revenue**

Chapter 43. Sales and Use Tax

§4301. Definitions

A. - C. ...

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Sales of Services—

a. - f. ...

g. Revised Statute 47:301(14)(e) defines laundry, cleaning, pressing, and dyeing services; including the cleaning and renovation of clothing, furs, furniture, carpets, and rugs; as taxable services.

i. *Sales of services* under R.S. 47:301 (14)(e) includes cleaning, pressing, and dyeing objects made primarily of materials like fabric, fur, leather, or cloth by cleaners, laundries, washaterias, and other cleaning establishments. Examples of taxable services include cleaning the following items:

- (a).clothing;
- (b).furniture;
- (c).carpets;
- (d).linens;
- (e).pillows; and

(f). draperies.

ii. Cleaning objects made primarily of metal, wood, plastic, glass, or other nonfabric material are not subject to tax under R.S. 47:301(14)(e). Examples of services that are not taxable include cleaning the following items:

- (a).automobiles;
- (b).barges;
- (c).pipes;
- (d).tanks; and
- (e).jewelry.

iii. Cleaning services performed to restore tangible personal property to a proper working condition, as when cleaning the inner workings of a watch or the fuel injectors in an engine, are considered repairs under R.S. 47:301(14)(g) and subject to tax.

iv. Taxable cleaning services under R.S. 47:301(14)(e) do not include transactions when customers personally operate cleaning equipment for a fee. An example of this would be patrons' use of commercial coin-operated washing machines at a laundromat. However, taxable leases or rentals exist when customers acquire possession or use of the cleaning equipment in accordance with R.S. 47:301(7). An example of this would be the rental of a carpet shampooer for use at home.

v. Revised Statute 47:301(14)(e) also defines the furnishing of storage space for clothing, furs, and rugs as *sales of services*. All charges pertaining to the furnishing of storage space for these items are included in the taxable amount regardless of whether the operator is engaged solely in furnishing storage space or the activity is incidental to another business.

h. - i.ii. ...

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AUTHORITY NOTE: Promulgated in Accordance with R.S. 47:301 and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Sales Tax Section, LR 13:107 (February 1987), amended by the Department of Revenue and Taxation, Sales Tax Division, LR 21:957 (September 1995), LR 22:855 (September 1996), amended by the Department of Revenue, Policy Services Division, LR 27:1703 (October 2001), LR 28:348 (February 2002), LR 28:1488 (June 2002), LR 28:2554 (December 2002), LR 28:2556 (December 2002), LR 29:186 (February 2003), LR 30:1306 (June 2004).

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