

SSA Responds to N.C. Sales Tax Proposal

The SSA has sent a letter to the North Carolina Senator who has introduced a tax reform bill that includes a sales tax on services, including self storage. The Association is also consulting with the NC-SSA in order to mobilize as an industry to avoid this proposal. Whether or not the measure is passed during this legislative session, which is scheduled to be complete in June, floating it publically now will likely breathe life into the services option as long as officials debate tax realignment.

Although the new tax bill targets a number of business sectors with new sales taxes, the actual language in the measure notes that the current tax structure “undermines the state’s competitive position and acts as a deterrent to new business investment and the creation of new jobs.” Past tinkering with the system “has

created a tax structure that is unpredictable for taxpayers and a revenue stream that is unstable for the state.”

The SSA reminded the sponsor, Sen. Daniel G. Clodfelter (D-Mecklenberg), that the self storage portion of the bill that they are proposing will be passed on to the end-user, in this case many lower-income tenants. The letter, signed by SSA President & CEO Mike Scanlon, reads in part:

“Although we appreciate the need to revise the antiquated tax system in your state, we feel it is arbitrary to include only one commercial real estate sector; one which will continue to remit property taxes consistent with other commercial real estate sectors that will not be burdened with a sales tax as a supposed service.

“Further, such a tax as proposed in SB 658 would create an added burden

for the most vulnerable members of your communities who store personal possessions out of necessity: persons from low and moderate income households; single-parent households; retirees; students; soldiers; citizens in the midst of relocation; small business owners and those forced out of their homes by foreclosure.

“While we wish you the best in your budget efforts, we encourage you to remove self storage and mini-storage from this particular proposal.”

Additionally, the national SSA and NC-SSA are considering lobbying support in Raleigh to assist in eliminating the self storage industry from the bill.

New taxes affecting the self storage industry have also been introduced in Illinois, Michigan and Rhode Island. ❖

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