



# HB 90: Private Vehicle Rental Networks

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REPRESENTATIVE WOOL

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# Definitions:

## Vehicle Rental Business:

Traditional car rental

Examples: Alamo, Enterprise, Thrifty, etc.

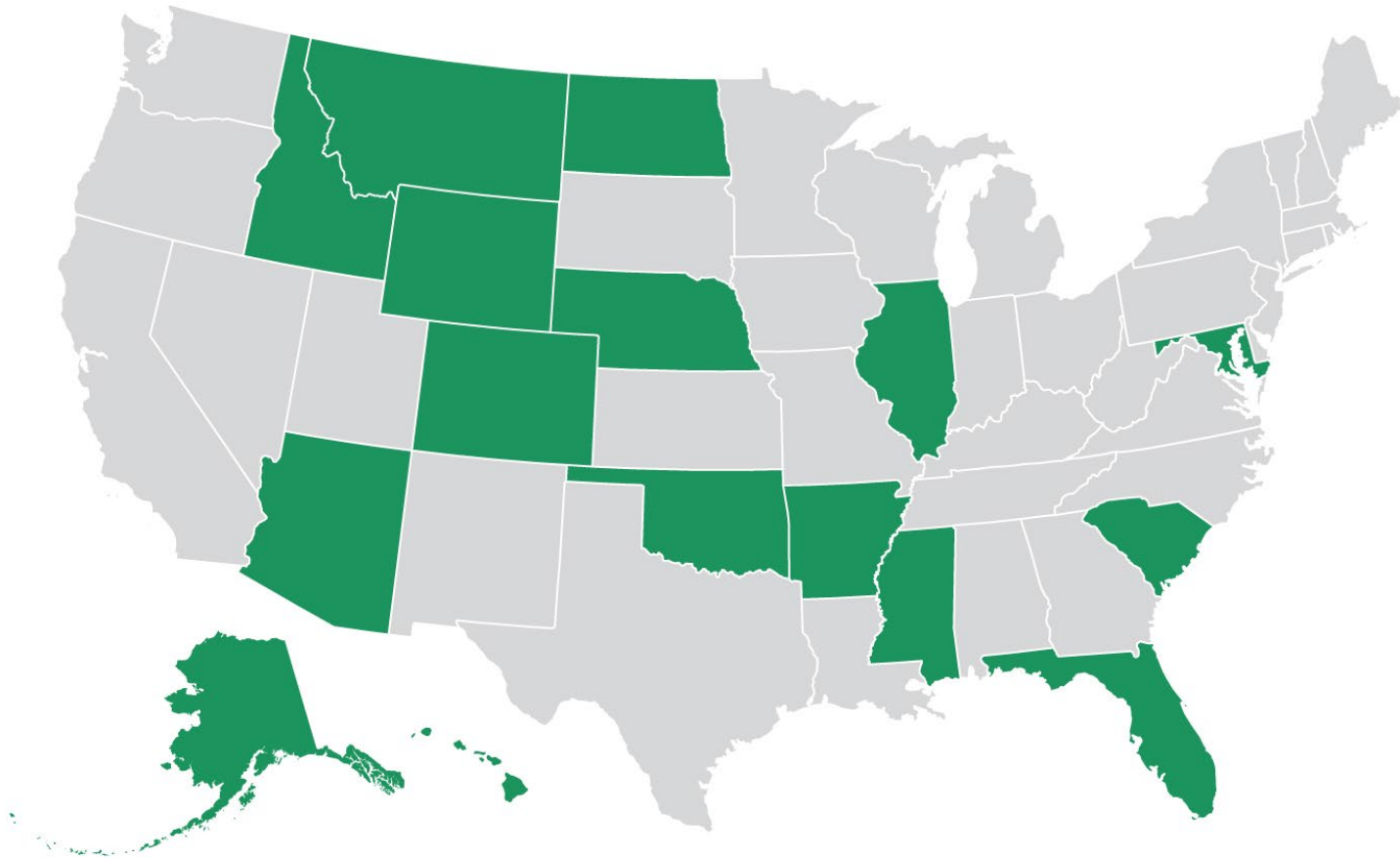
## Vehicle Rental Network (AKA Peer-to-Peer):

Peer-to-Peer and Traditional car rental

Examples: Turo, Getaround, Enterprise CarShare

# States where DOR have determined Vehicle Rental Networks to be Taxable

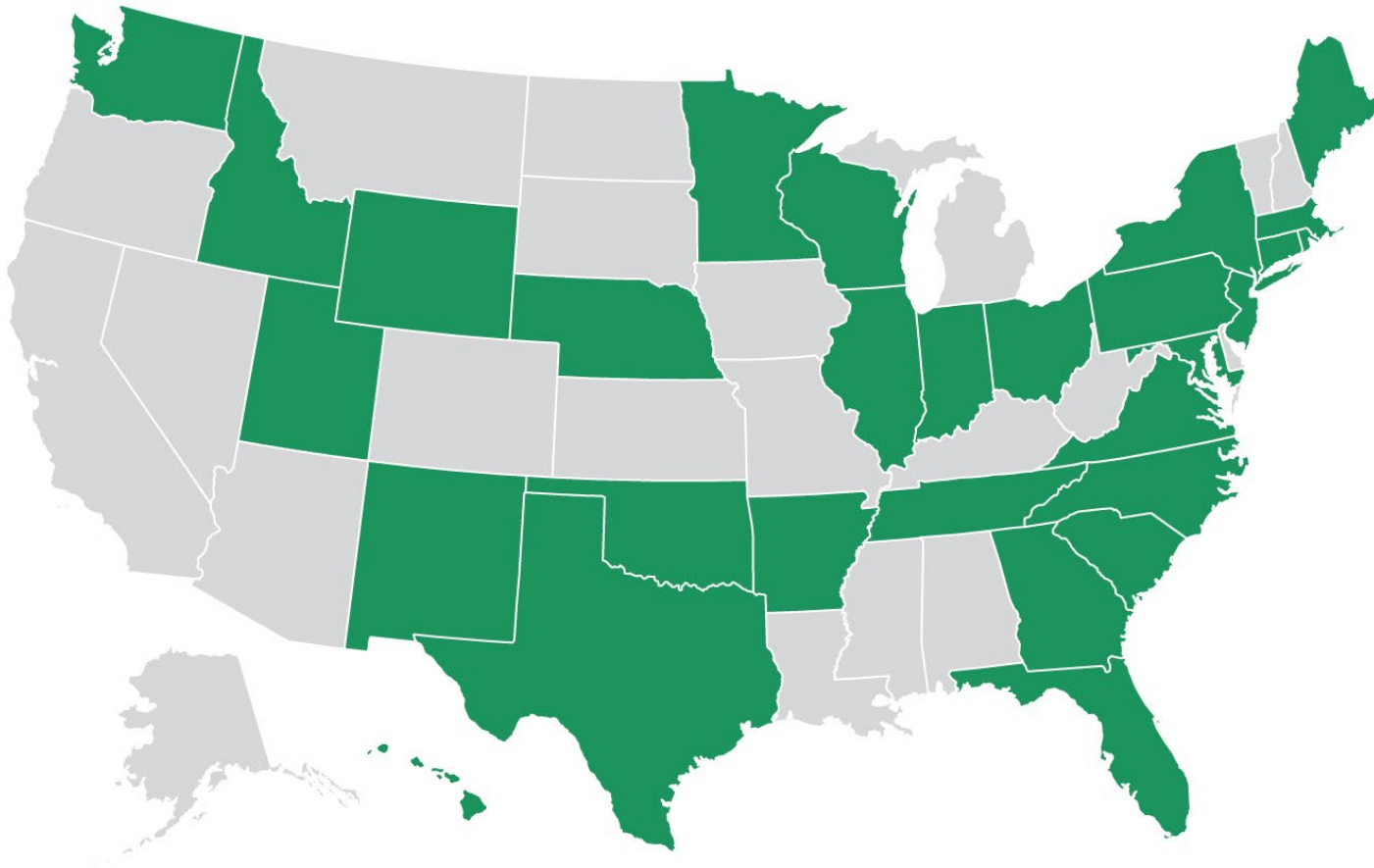
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- 16 States including Alaska have a Department of Revenue with a position supporting Vehicle Rental Network Taxation
- Anchorage Ordinance 2020-55 has begun to collect tax on P2P car rental:
  - 8% tax on BOTH vehicle rentals and P2P
  - Adds a new definition for hosting platform

# States where Vehicle Rental Networks are Collecting Tax

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- 29 States currently apply rental taxes to vehicle rental networks
- Alaska's current tax rates:
  - 10% for motor vehicles
  - 3% for recreational vehicles
- Historically, vehicle rental tax revenue has been around \$10 million, which could increase 10-30% with the addition of vehicle rental networks

# Different Standards for the Same Business Model:

➤ Traditional car rental and peer-to-peer networks have the same business model with different tax burdens

➤ The business model of P2P aligns with other app-based industries such as AirBnb and Uber

➤ P2P networks are clearly operating in Alaska, despite having headquarters in other States

Traditional Car Rental:		Vehicle Rental Networks or Peer-to-Peer:
✓	<b>RENTS VEHICLES</b> (HOURLY, DAILY, WEEKLY)	✓
✓	<b>PROVIDES INSURANCE PROTECTION</b>	✓
✓	<b>SELLS ANCILLARY PRODUCTS</b> (EX. GPS, CAR SEATS, SKI RACKS)	✓
✓	<b>OFFERS DIGITAL TECHNOLOGY AND MOBILE APPS TO CONSUMERS</b>	✓

# Testimony Supporting HB 90

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"If you're Hertz, we know about you. You register with us and pay your taxes. Turo is invisible to us because we don't know the names, let alone contact information, for people renting the cars... We're losing something, but it's hard to tell how much."

**-State of Alaska Department of Revenue**





# Questions?

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