



Alaska State Legislature

Senator Matt Claman

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Senate Bill 138

Sponsor Statement — Version A

“An Act relating to vehicle rental taxes; relating to the issuances of subpoenas related to tax records; and providing for an effective date.”

Senate Bill 138 requires vehicle rental platform companies, such as Turo and Getaround, to collect the existing state vehicle rental tax and remit the tax to the Department of Revenue on behalf of the vehicle owners.

Under current law, vehicle owners who rent out their vehicles through online platforms owe the 10% rental tax. Platforms such as Turo have a legal obligation under AS 43.52.050(b) to invoice renters for this tax. AS 43.52.050(b) states that “the tax shall be stated as a separate item on the lease or rental contract or other document invoicing payment.” Because vehicle rental platform companies prepare the invoices for their renters, they have a duty to collect and remit the tax to the state.

Senate Bill 138 confirms this duty by requiring the vehicle rental platform companies to collect the excise tax from the vehicle renter and remit it to the Department of Revenue on behalf of the vehicle owner. This legislation eases the burden on Alaskans renting out their cars on Turo who may not know how to collect the tax, or even that they owe it.

Senate Bill 138 is not meant to affect Alaskans that use other means to advertise their rental cars, such as Craigslist and Facebook Marketplace, because those websites do not provide invoices, collect any funds from the renter, or coordinate details about the rental. Websites such as Craigslist and Facebook Marketplace would not have a duty to collect the excise tax under the current structure of those websites.

SB 138 lowers the vehicle rental tax from 10% to 8% for vehicle rentals conducted through vehicle rental platforms. The tax remains at 10% for traditional rental car operations. The bill also prevents any retroactive tax collection from vehicle rental platform users and protects countless small Alaskan businesses.

Senate Bill 138 provides clarity on the responsibilities of vehicle rental platforms, eases the burden on small Alaskan businesses, and ensures fair collection of Alaska’s existing taxes.