



Dear Representative McCabe,

For years Turo has been working to establish a legislative framework for Peer to Peer (P2P) Car Sharing in the state of Alaska that is fair to locals earning extra income from their vehicles. Our community members appreciate the reasonable approach HB 123 takes towards the collection and remittance of the excise taxes that may be applied to P2P Car Sharing users. We are encouraged that HB 123 does not allow for retroactive tax collection and that it establishes a 7% tax for P2P carsharing while lowering rental cars to 9%.

This legislation mitigates substantial concerns regarding the possibility that hundreds of Alaskan P2P hosts could be held liable for alleged back taxes dating back several years, even without directly applicable statutes on the books. Eliminating that possibility gives local car owners earning income from carsharing the assurance that the taxes collected and remitted on transactions will apply only from the effective date of this bill. We fully support this on behalf of our Alaskan P2P hosts.

The bill also follows many other states' approach in applying a lower tax rate to P2P transactions than to traditional car rentals to acknowledge the vast advantages rental companies receive that aren't available to local vehicle owners engaging in car sharing. Some of these benefits include discounts on vehicle purchases, exemptions from local sales tax where applicable, and the state given ability to pass through vehicle registration expenses to consumers. While ultimately it is the state's decision whether to tax locals and guests using P2P carsharing, we believe applying a 7% rate to P2P and a 9% rate for rental cars takes into account the higher costs of car ownership for Alaskan car owners.

Passing this legislation will allow for Turo and other carsharing marketplaces to accurately collect and remit the proposed tax to the State going forward. Again, we appreciate your leadership on HB 123 in establishing a reasonable and fair solution. If we can be of any further assistance, please feel free to contact us.

Sincerely,

A handwritten signature in black ink that reads "K. Gaglio".

Kyndell Gaglio  
Government Relations  
Turo