From:rainydaySent:Thursday, April 10, 2025 8:57 AMTo:Senate Transportation Committee; House Finance; Sen. Matt Claman; Carly Dennis; Rep.
Kevin McCabe; Sen. Gary Stevens; Rep. Louise StutesSubject:Vehicle Rental Tax, SB 138 and HB 123

April 10, 2025

Senate Transportation: <u>Senate.Transportation@akleg.gov</u> House Finance: <u>House.Finance@akleg.gov</u>

Senator Matt Claman, <u>Senator.Matt.Claman@akleg.gov</u> cc Carly Dennis, <u>carly.dennis@akleg.gov</u> Representative Kevin McCabe, <u>Representative.Kevin.McCabe@akleg.gov</u> cc Senator Gary Stevens, <u>Senator.Gary.Stevens@akleg.gov</u> cc Representative Louise Stutes, <u>Representative.Louise.Stutes@akleg.gov</u>

RE: Vehicle Rental Tax, SB 138 and HB 123

Dear Legislators,

I support the committee substitute bill that changes the rates for Turo to a flat 9% rate for everyone. This will make collection and enforcement easier and result in a fair process that will generate more revenue.

Currently, many Turo operators are operating illegally without a business license and do not pay sales tax or the Vehicle Rental Tax. They do not support our city, borough, or our state parks and compete unfairly with legit vehicle rental businesses. Unfortunately, this is a growing business model.

It is easy to find these scofflaws in my town of Seward as the Turo website not only includes photos and descriptions of the vehicles for rent, but the first name and initial of the last name. The operators often use the same photo as their Facebook (X) posts. It's a small town. A cross-check of required past and current business licenses did not find any of these operators.

They get rave reviews from their customers who are unaware that their gracious hosts offering clean, wellmaintained personal cars with perks and little gifts are in violation of existing law that requires payment of the Vehicle Rental Tax, purchase of a city business license, and payment of sales taxes to the city and Kenai Peninsula Borough.

It's way past time to close this vehicle rental loophole.

Sincerely,

Carol Griswold Seward