



HB 90: Private Vehicle Rental Networks

REPRESENTATIVE WOOL

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Definitions:

Vehicle Rental Business:

Traditional car rental OR Peer-to-Peer Rental

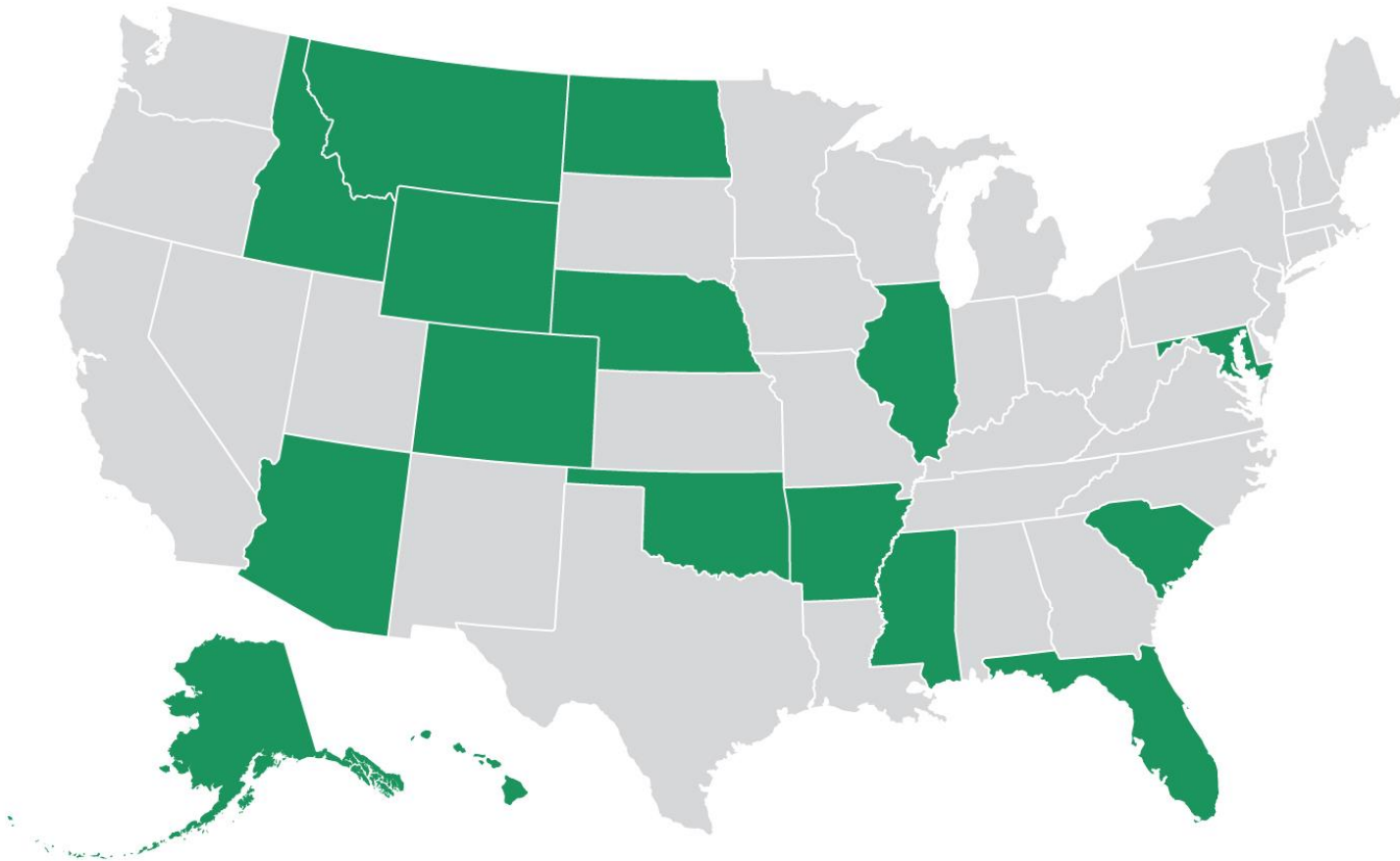
Examples: Alamo, Enterprise, Turo, Getaround, etc.

Vehicle Rental Network:

Digital network including the applications, software, or system offered by a vehicle rental business

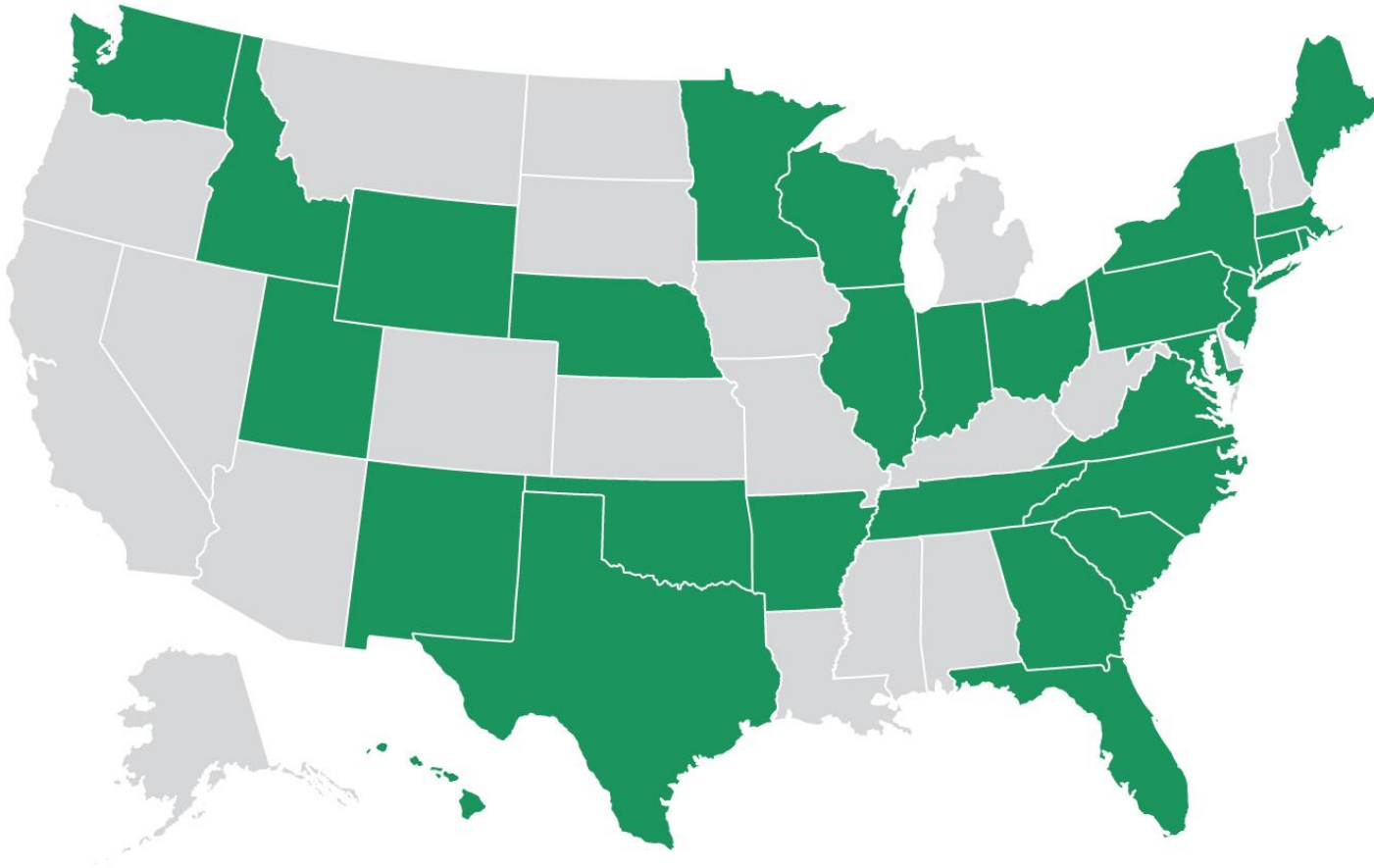
Examples: The app used to rent through Turo

States where DOR have determined Vehicle Rental Networks to be Taxable



- 16 States including Alaska have a Department of Revenue which has determined Vehicle Rental Network businesses are taxable
- 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



- 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:		Peer-to-Peer Networks:
✓	RENTS VEHICLES (HOURLY, DAILY, WEEKLY)	✓
✓	PROVIDES INSURANCE PROTECTION	✓
✓	SELLS ANCILLARY PRODUCTS (EX. GPS, CAR SEATS, SKI RACKS)	✓
✓	OFFERS DIGITAL TECHNOLOGY AND MOBILE APPS TO CONSUMERS	✓



Questions?
