

From: [Douglas Shinkle](#)
To: [Sen. Matt Claman](#)
Cc: [Sydne Enlund](#); [Mia Geoly](#); [Jackson Brainerd](#); [Douglas Shinkle](#)
Subject: Taxation for Turo type services
Date: Tuesday, March 14, 2023 9:47:42 AM
Attachments: [NCSL Request -- P2P Carsharing Laws 3.13.23 Update.docx](#)

Senator Claman,

Please see attached for a memo summarizing state fees for peer-to-peer car-sharing services. Note that there are differences between car sharing and rental car companies when it comes to analyzing whether they pay equivalent taxes; rental car companies are typically exempt from sales tax on the purchase of their fleet vehicles, while car sharing drivers are not. In some states, the car rental excise taxes were adopted to compensate for that foregone sales tax revenue.

Please let us know any questions and we hope this information helps.

Regards,

Doug

Douglas Shinkle

National Conference of State Legislatures

Transportation Program Director

7700 E. First Place, Denver, CO 80230

303.521.6359

Disclaimer

The information contained in this communication from the sender is confidential. It is intended solely for use by the recipient and others authorized to receive it. If you are not the recipient, you are hereby notified that any disclosure, copying, distribution or taking action in relation of the contents of this information is strictly prohibited and may be unlawful.

This email has been scanned for viruses and malware, and may have been automatically archived by **Mimecast Ltd**, an innovator in Software as a Service (SaaS) for business. Providing a **safer** and **more useful** place for your human generated data. Specializing in; Security, archiving and compliance. To find out more [Click Here](#).



Robin Vos
Assembly Speaker
Wisconsin
President, NCSL

Martha R. Wigton
Director
House Budget & Research
Office
Georgia
Staff Chair, NCSL

Tim Storey
Executive Director

To:

From: Douglas Shinkle, National Conference of State Legislatures
Mia Geoly, National Conference of State Legislatures

Date: March 13, 2023

Subject: Peer-to-Peer Carsharing Laws

Peer-to-peer (P2P) carsharing is commonly known as renting a vehicle to someone other than an owner through a digital or electronic platform. Companies offering such services include Getaround and Turo.

Since 2010, at least 24 states—Arizona, California, Connecticut, Colorado, Delaware, Florida, Georgia, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Nevada, New Hampshire, New York, Ohio, Oklahoma, Oregon, Tennessee, Texas, Virginia, Washington and West Virginia—have enacted legislation establishing P2P carsharing laws. P2P carsharing legislation typically has common provisions concerning insurance, liability, safety and consumer disclosure. For example, at least:

- Twelve states—Arizona, California, Colorado, Connecticut, Delaware, Florida, Kansas, Maine, Nevada, Oklahoma, Oregon and Washington—set minimum insurance liability in amounts no less than the minimum amounts set forth in state minimum coverage laws.
- Nineteen states—Arizona, Colorado, Connecticut, Delaware, Florida, Indiana, Kansas, Georgia, Louisiana, Maine, Maryland, Nevada, New York, Ohio, Oklahoma, Tennessee, Texas, Virginia and West Virginia—direct carsharing companies to verify that a vehicle is not subject to a safety recall before being used on a platform.
- 21 states—Arizona, California, Colorado, Connecticut, Delaware, Florida, Georgia, Indiana, Kansas, Louisiana, Maryland, Nevada, New York, Ohio, Oklahoma, Oregon, Tennessee, Texas, Virginia, Washington and West Virginia—require carshare companies to disclose information to consumers, including terms and conditions, rates, fees and other charges and emergency roadside assistance.
- Six states—Arizona, Florida, Kansas, Maine, Nevada and Oklahoma—used bill language similar or identical to model [P2P carsharing language](#) created by the National Council of Insurance Legislators (NCOIL) in 2019. NCOIL created the model with input from stakeholders such as insurance companies, carsharing providers, and state lawmakers.

Lastly, while the first three states to enact legislation—California, Oregon and Washington—prohibited revenues from exceeding the annual expenses of a personal vehicle used on a carsharing platform, this provision has not been enacted by any subsequent states.

State Legislation

ARIZONA

In 2021, Arizona's Legislature approved [SB 1720](#), which established a P2P regulatory framework. Provisions included insurance requirements related to liability and authorized insurers. The law also established information disclosure and data retention requirements. Additionally, the legislation does not restrict public airports from implementing rules, licensing requirements, or fees on carsharing transactions that occur at public airports or use off-airport shuttle service providers.

Taxation Provisions: The legislation established that shared vehicle transactions are subject to the transaction privilege tax (similar to most states' sales tax) and affiliated excise taxes but are exempt from the rental vehicle surcharge, and localities may not impose additional taxes and fees specifically to P2P vehicle transactions. P2P programs must register for a license with the Department of Revenue to collect and pay the taxes imposed by the legislation.

CALIFORNIA

In 2010, California's Legislature approved [AB 1871](#), which established an initial regulatory framework for carsharing in the state, effective January 2011. Provisions included various requirements that companies, vehicle owners, and drivers must satisfy before operating and using a carsharing platform, such as consumer disclosure, licensing and insurance liability. More specifically, new insurance coverage was permitted to be issued for claims related to personal injury, collision and property damage. Additionally, outlined processes to initiate claims, judgment and recovery.

Taxation Provisions: N/A

COLORADO

In 2019, Colorado's General Assembly approved the Peer-to-Peer Car Sharing Act via [SB 90](#). The law authorized and enabled car sharing services in the state, effective January 2020. The term "car sharing" means the authorized use of a shared car by persons other than the registered owner. Moreover, a "[car sharing program](#)" means a person who in the business of operating an online platform which connects third-party vehicle owners to third-party vehicle drivers in order to enable P2P car sharing within the state. Notably, registered owners of cars involved in car sharing, as well as lessors, were excluded from the latter definition. Other provisions addressed new requirements for consumer disclosure, driver's license verification, car sharing equipment and concession agreements needed to operate at airports. Additionally, new insurance requirements were outlined, as well as certain processes regarding liability, disputes and authorized insurance providers.

Taxation Provisions: [SB 260](#) was enacted in 2021 and ordered P2P car sharing programs to collect a \$2 daily vehicle rental fee for any short-term vehicle rental of 24 hours or longer. These provisions will take effect July 1, 2022. It is important to mention that this is a new fee for P2P car sharing. Previously, the fee was solely imposed on traditional car rentals. Going forward, the fee applies to both P2P car sharing and traditional rentals, and the amount of such fee will be adjusted yearly based on annual changes in the CPI.

CONNECTICUT

In 2021, Connecticut enacted [HB 6568](#), which imposed regulatory requirements for P2P carsharing companies. The bill established insurance requirements and consumer protections such as mandatory safety recall repairs and information disclosure. The legislation also addressed liability, responsibility for equipment, liens and mandatory drivers license verification. Additionally, the bill required P2P carsharing companies to enter into an agreement with the Connecticut Airport Authority in order to operate at Bradley International Airport.

Taxation Provisions: N/A

DELAWARE

In 2021, the Delaware General Assembly enacted [SB 168](#), which established a regulatory framework for carsharing companies. The legislation set forth insurance, liability and record-sharing requirements for P2P carsharing programs. It also established that P2P drivers must meet certain requirements (such as having a valid driver's license), and P2P carsharing companies must retain data about their drivers. Additionally, P2P companies must provide any necessary equipment, such as GPS, to drivers. The bill requires P2P carsharing companies to verify that driver's vehicles do not have safety recalls.

Taxation Provisions: N/A

FLORIDA

In 2021, Florida's Legislature approved [SB 566](#), which established regulation and taxation for carsharing programs, effective January 2022. The legislation set forth insurance and liability requirements, and specified recordkeeping and record-sharing requirements for P2P carsharing programs. The law also stated that carsharing programs have sole responsibility for certain equipment in or on a shared vehicle, and must verify that a driver's vehicle has no recalls.

Taxation Provisions: The bill confirms that Florida's sales tax applies to carsharing programs and imposes a surcharge of \$1 per day on a motor vehicle rental or lease with a duration of less than 24 hours and on a carsharing program agreement. Peer-to-peer carsharing programs will be responsible for collecting and remitting the six percent sales tax on motor vehicle rentals and the \$1 per day rental car surcharge.

GEORGIA

In 2020, Georgia's General Assembly approved [HB 337](#), which established a P2P regulatory framework. Provisions included consumer disclosure, liability and driver qualifications. The law also set forth safety recall and insurance requirements. Additionally, the law stated that a P2P carsharing program shall have sole responsibility for any equipment such as a GPS or other special equipment.

Taxation Provisions: N/A

INDIANA

In 2019, Indiana's General Assembly approved [HB 1362](#), which authorized and established P2P carsharing in the state, effective January 2020. The legislation set forth requirements for companies, vehicle owners and drivers. Provisions included insurance, liability, and various terms and conditions of a carsharing agreement between a company and vehicle owner. Additionally, prohibited cities and counties from enacting and enforcing carsharing regulations, although this does not apply to airport authorities and commissions.

Taxation Provisions: N/A

KANSAS

In 2021, Kansas's Legislature approved [HB 2379](#) or the Peer-to-Peer Vehicle Sharing Program Act, effective January 2022. The law established a P2P regulatory framework which requires carsharing programs to assume liability with some exceptions. Additionally, carsharing programs must collect records pertaining to the use of a vehicle and disclose specified information to owners and drivers.

Taxation Provisions: N/A

KENTUCKY

In 2022, Kentucky's Legislature approved HB 8, which included provisions establishing a regulatory framework for peer-to-peer carsharing. Peer-to-peer carsharing companies must file for a certificate according to administrative regulations implemented by the Department of Vehicle Regulation.

Taxation Provisions: The bill imposes a 6% tax on the gross receipts of any rental through a peer-to-peer carsharing company, which is administered and collected by the Department of Vehicle Regulation, and revenue collected is deposited into the general fund. The tax is the obligation of the peer-to-peer carsharing company, but the company may be charged to the user of the service. The company must be remitted to the Department of Vehicle Regulation each month. If the company fails to remit the tax, the Department of Vehicle Regulation may void the certificate allowing the company to operate.

LOUISIANA

In 2020, Louisiana's Legislature approved [HB 532](#), which enacted the Peer-to-Peer Car Sharing Program Act. The legislation provided for recordkeeping requirements by P2P insurance networks, notifications of lien implications for shared vehicle owners and insurance requirements. The law also established consumer protection disclosures, driver's license requirements and retention of certain driver's license data such as name, address and driver's license number. Additionally, drivers will be held harmless if any special equipment, including GPS, is damaged or stolen during the carsharing period.

Taxation Provisions: [HB 561](#) was also approved in 2020 to change the definition of "dealer" to include any person who operates, maintains, or facilitates a peer-to-peer vehicle sharing program and collects any amount required to be paid as part of a vehicle sharing program agreement whereby a shared vehicle owner leases or rents a shared vehicle to a shared vehicle driver in Louisiana. A dealer under this definition is required to collect state sales tax.

MAINE

In 2021, Maine's Legislature approved [LD 1420](#), which enacted a regulatory framework for P2P carsharing in the state, effective June 2021. Provisions included insurance, safety recall reporting, liability and enforcement, as well as approvals needed from the state before allowing insurance companies to issue new policies. Additionally, empowered the state to investigate compliance and non-compliance, assess civil penalties and hold hearings from aggrieved parties regarding state enforcement actions.

Taxation Provisions: N/A

MARYLAND

In 2018, Maryland's Legislature approved [SB 743](#), which enacted a regulatory framework for P2P carsharing in the state, effective July 2018. Provisions included insurance and driver and vehicle inspections. Provisions also included consumer disclosure, authorized insurance providers, and reporting requirements, such as odometer miles, vehicle age and inspection dates, needed before a vehicle can operate on a carsharing platform.

Taxation Provisions: The legislation included applicable sales tax rates for various charges made in connection with short-term rentals and carsharing. Sales tax provisions sunset June 30, 2020.

NEVADA

In 2021, Nevada's Legislature approved [SB 389](#), which established provisions governing the licensing and operation P2P car sharing programs, effective October 2021. The law requires carsharing programs to assume liabilities for certain damages and both owners and drivers to be insured under an insurance policy.

Additionally, the legislation allows an airport to impose fees or require licenses for P2P carsharing programs to operate at the airport.

Taxation Provisions: The legislation also requires a peer-to-peer carsharing program to collect from each shared vehicle driver a governmental services fee of 10 percent of the total amount for which a vehicle was shared through the program, plus any additional fee imposed on the sharing of the vehicle by authorized counties, which the program must collect and submit to the Department of Taxation along with a quarterly report.

NEW HAMPSHIRE

In 2021, New Hampshire's Legislature approved [HB 15](#), which modified the 9% rooms and meals tax to include facilitators of Internet transactions of motor vehicle rentals and requires the rental facilitator to collect the tax and transfer it to the state. The changed definition includes P2P carsharing programs as rental facilitators.

NEW YORK

In 2021, the New York State Assembly passed SB [6715](#), which created a P2P carsharing framework, effective June 2022. The bill established insurance and liability requirements and required that P2P carsharing companies are responsible for providing equipment such as GPS. Additionally, the bill mandated P2P carsharing companies to verify that vehicles are not subject to a safety recall. The bill also outlawed age-based discrimination, credit-based discrimination and discrimination based on race, color, ethnic origin, religion or sex in P2P carsharing programs. Fines for violating the anti-discrimination provision range from less than \$1,000 to \$2,500 for each violation. The New York State Division of Human Rights is authorized to review and investigate any potential nondiscrimination violations. Another provision required that, if requested by the public authority regulating airport commerce, P2P carsharing companies must enter into a written airport concession agreement.

Taxation Provisions: The bill imposed three different fees on P2P carsharing companies: a state-wide peer-to-peer assessment fee, a metropolitan commuter transportation district assessment fee and a regional transportation assessment fee. Each separate fee is 2% of gross charges for a driver, increasing to 3% starting January 1, 2023. The state-wide peer-to-peer assessment fee is deposited into an account accessible to the comptroller for the purposes of taxpayer refunds under the law. The revenue from the metropolitan commuter transportation district assessment fee is deposited into the corporate transportation account of the metropolitan transportation authority special assistance fund. The revenue from the regional transportation assessment fee is deposited into the public transportation systems operating assistance account.

OHIO

In 2019, Ohio's General Assembly approved [HB 166](#), which enacted a regulatory framework for P2P carsharing in the state, effective January 2020. Provisions included insurance, liability, consumer disclosure, carsharing equipment and various other requirements, including that a carsharing company must verify that a vehicle does not have any pending safety recalls and, if it does, to notify the owner that the vehicle cannot operate on its platform until its repaired. Additionally, outlined information that must be collected and provided, such as the name and address of an owner, driver's license number and state of issuance and verification the vehicle is legally registered, before a carsharing company may enter into an agreement.

Taxation Provisions: N/A

OKLAHOMA

In 2021, the Oklahoma State Legislature approved [SB 355](#), which enacted a regulatory framework for P2P carsharing in the state. The bill set forth insurance and liability requirements, as well as requirements for

record-keeping and retention. Additionally, the bill required P2P carsharing companies to verify that vehicles are not subject to recalls.

Taxation Provisions: Beginning November 2021, a 6% tax will be levied on the gross receipts of all motor rental vehicle agreements, including P2P carsharing vehicles.

OREGON

In 2011, Oregon's Legislative Assembly approved [HB 3149](#), which enacted a regulatory framework for P2P carsharing in the state, effective January 2012. Provisions included insurance, liability and electronic records. Additionally, established standards for carsharing companies, such as verifying a vehicle is a private, not a commercial, vehicle, installing hardware, software and other equipment, indemnifying an owner for the cost of damage or theft of any equipment and not knowingly permitting a carshare to be used as a commercial vehicle on its platform.

Taxation Provisions: N/A

PENNSYLVANIA

In 2022, the state approved [HB 1342](#), clarifying that peer -to-peer car sharing program marketplace facilitators and shared vehicle owners are considered vendors, and vendors are required to collect and remit sales tax. A shared vehicle owner is not required to collect tax if they don't make vehicles available for sharing outside of a forum for which a car sharing program marketplace facilitator is required to collect tax.

TENNESSEE

In 2020, Tennessee's General Assembly approved [SB 2207](#), which established a P2P carsharing program. Provisions addressed insurance coverage during carsharing periods, lien implications, insurance requirements and driver's license verification. Additionally, the law stated that a P2P company has sole responsibility for any equipment such as a GPS system put in or on the vehicle to monitor or facilitate the carsharing transaction, and shall agree to indemnify the vehicle owner for any damage or theft of the equipment during the sharing period not caused by the vehicle owner. The law also requires P2P carsharing businesses operating at an airport to enter into a written agreement with the airport or entity responsible for regulating commerce at the airport.

Taxation Provisions: N/A

TEXAS

In 2021, the Texas Legislature approved [HB 113](#), which established insurance, recordkeeping, safety recall and liability provisions for P2P carsharing companies, effective September 1, 2021.

Taxation Provisions: The state Comptroller's office issued [guidance](#) in 2022 clarifying that a peer-to-peer carsharing platform is not responsible for collecting and remitting tax because it is not the owner of the cars.

VIRGINIA

In 2020, Virginia's General Assembly approved [SB 735](#), which established insurance, taxation, recordkeeping and safety recall requirements for P2P carsharing companies. The legislation prohibits P2P carsharing programs from operating on the property of any airport, unless they are authorized to do so by the airport owner. Airports may take action against a P2P carsharing program that violates any of the airport's regulations. Provisions also addressed responsibility for equipment and a P2P carsharing tax.

Taxation Provisions: Beginning July 1, 2020, and ending July 1, 2021, a shared vehicle owner who registers no more than 10 different shared vehicles on any combination of peer-to-peer vehicle sharing platforms at any one time, the tax shall be imposed at a rate of 6.5% on the gross proceeds paid by the shared vehicle driver. Beginning July 1, 2021, and thereafter, if a shared vehicle owner registers no more than 10 different shared vehicles on any combination of peer-to-peer vehicle sharing platforms at any one time, the tax shall be imposed at a rate of 7% on the gross proceeds paid by the shared vehicle driver. Shared vehicle owners who register more than 10 vehicles on any combination of vehicle sharing platforms are subject to the same 10% tax rate imposed on motor vehicle rentals. The peer-to-peer vehicle sharing platforms are responsible for collecting the tax if they meet the economic nexus thresholds set for [marketplace facilitators](#), otherwise it is collectible from the vehicle owner.

WASHINGTON

In 2012, Washington's Legislature approved [HB 2384](#), which enacted a regulatory framework for P2P carsharing in the state, effective June 2012. Provisions included insurance, liability and consumer disclosure. Additionally, established standards for carsharing companies, such as verifying vehicle records, notifying owners about vehicle use, including initial and final locations, along with total miles driven, and stipulating that a carshare company must assume all liability of an owner and is also considered the owner for all purposes when a vehicle is being used on its platform.

Taxation Provisions: N/A

WEST VIRGINIA

In 2019, West Virginia's Legislature approved [HCR 108](#), which directed the Joint Committee on Government and Finance (Committee) to study the feasibility and propriety of authorizing and regulating P2P carsharing in the state. The Committee will also study issues related to insurance, liability and the potential regulation of such transactions. By the first day of regular session in 2020, the Committee must submit a report with its findings and conclusions, as well as drafts of legislation needed to effectuate the report's recommendations.

In 2020, the legislature enacted [HB 4474](#), which established a regulatory framework for P2P carsharing programs. Provisions addressed insurance coverage, notification of lien implications, recordkeeping, consumer protections and driver's license verification and data retentions. The law also outlined airport's authority to regulate P2P carsharing programs, including entering into an agreement with an airport regarding fees, marketing, and facilitating the use of shared vehicles. Further, the law preempted localities from requiring P2P companies to obtain a license to operate within the jurisdiction. Finally, the law stated a P2P company has sole responsibility for any equipment such as a GPS put in or on the vehicle to monitor or facilitate the carsharing transaction and must indemnify the vehicle owner for any damage or theft during the carsharing period.

Taxation Provisions: The bill establishes a tax of not less than \$1 nor more than \$1.50 for each day or part-day of the car sharing period. This tax is similar in nature to the Daily rental car passenger tax, which the peer-to-peer car sharing program is exempt from. P2P companies are required to collect and remit all state and municipal sales taxes and are considered remote retailers/marketplace facilitators for transactions requiring the collection and remittance of use tax. (The state sales and use tax rate is 6%)