



*Re: SB 127: Vehicle Rental Tax, Committee Substitute Work Draft 33-LS0635*

Dear Senator Claman and Senate Finance Committee Members,

Turo has been working for years to establish a legislative framework for Peer to Peer (P2P) Car Sharing in Alaska that is fair to your constituents who utilize and benefit from this transit resource. Our community members appreciate your willingness to work with impacted stakeholders toward a reasonable approach to collection and remittance of the excise taxes that may be applied to P2P Car Sharing users. We are encouraged by this committee substitute that removes retroactivity from SB 127 and establishes an 8% tax for P2P carsharing while keeping rental cars at 10%.

This committee substitute 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 appreciate the proposed change and fully support it on behalf of our Alaskan P2P hosts.

This committee substitute 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 an 8% rate to P2P and keeping a 10% rate for rental cars takes into account the higher costs of car ownership for Alaskan car owners. This is particularly important at a time when the state is also considering legislation such as HB 142 and HB 378 that could create further costs for P2P users that aren't applicable to rental car transactions, as well as open the door to additional tax exemptions for traditional rental.

Passing this committee substitute will allow for Turo and other carsharing marketplaces to accurately collect and remit the proposed tax going forward on behalf of the State. Again, we appreciate your willingness to work with the impacted parties toward a reasonable and fair solution. If we can be of any further assistance, please feel free to contact us.

Sincerely,

Kyndell Gaglio

Government Relations  
Turo



Administrative Office  
500 Naches Ave SW, STE 300  
Renton, WA 98057  
enterprisemobility.com

March 7, 2024

Senator Donny Olson  
Senate Finance Committee

RE: Senate Bill 127: Taxation: Vehicle Rentals, Subpoenas

Dear Senator Olson and Members of the Senate Finance Committee

Enterprise Alaska supports the committee substitute for SB 127. This version, 33-LS0635\R, establishes a rental tax rate of 8% for peer-to-peer (P2P) rental transactions. In addition, this version protects existing owners from paying back taxes for rentals that occurred before passage of the legislation. We believe these changes are a reasonable way for all interested parties to move forward.

The rental car market is a dynamic marketplace with all participants facing similar market realities. For example, in Alaska, neither car rental companies nor peer-to-peer car rental platforms collect and remit a state sales tax on their respective transactions because Alaska does not have a statewide sales tax. However, rental car companies currently collect and remit a statewide rental car tax and significant airport-related fees to do business at Alaska's airports. Peer-to-peer car rental platforms currently collect and remit none of these taxes or fees. This legislation helps to level the playing field regarding taxes/fees on all car rental transactions.

We support the passage of this revised version of the legislation in both the Senate and the House of Representatives.

Sincerely,

A handwritten signature in blue ink that reads 'Bill Gardner'.

Bill Gardner  
VP/General Manager

Senator Donny Olson  
Senate Finance Committee

RE: Senate Bill 127: Taxation: Vehicle Rentals, Subpoenas

March 8, 2024

Dear Chair Olson,

I am writing on behalf of Alaska Rent A Car Inc., doing business as AVIS, to express our support for the Finance Committee Substitute for Senate Bill 127, 33-LS0635\R. This bill addresses an important issue regarding the taxation of vehicle rentals through a vehicle rental platform.

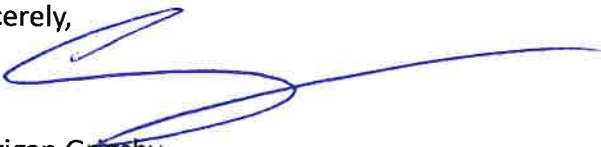
The Alaska Department of Revenue has determined under current law that Alaska businesses that provide a leased vehicle through a vehicle rental platform are required to collect the vehicle rental tax from individuals renting the vehicle and remit the taxes to the State. However, without a change to current statute, vehicle rental platforms do not have a legal obligation to collect the vehicle rental tax on behalf of the businesses utilizing their platforms. This leaves potentially thousands of Alaska businesses with tax liabilities and no effective way of collecting from the individual that rented the vehicle or an efficient way to remit them.

Alaska Rent A Car Inc. believes that all persons renting vehicles, regardless of the platform used to rent, should pay an equal tax liability to help pay for programs associated with parks, tourism, and road maintenance. However, this issue has been fiercely debated for several years without resolution, resulting in less revenue collected and leaving Alaska businesses vulnerable to tax liabilities that should be paid by the person renting the vehicle.

We support the Senate Finance Committee Substitute as a compromise to resolve the issue. Specifically, we support a bill that maintains the current 10% tax rate for traditional car rental companies while reducing the current rate for vehicle rental businesses using a car vehicle rental platform to 8%. Additionally, we believe it is essential to ensure that Alaska businesses that have used car sharing networks in the past are protected from paying taxes, currently owed, that should have been collected from the individual that rented the car. Our interest is and has always been on prospective collection and not owed back taxes.

We urge you to support the Finance Committee Substitute for Senate Bill 127 as a compromise to address this issue and allow all parties involved to move forward.

Sincerely,



Carrigan Grigsby  
Alaska Rent A Car



## **CHUGACH STATE PARK CITIZEN ADVISORY BOARD**

18620 Seward Hwy, Anchorage, AK 99516 Phone: 907-345-5014 Fax: 907-345-6982

December 26th, 2023

To: Honorable Members of the Alaska State Senate and House of Representatives:

The Chugach State Park Citizen Advisory Board requests your support of Senate Bill 127, which would require vehicle rental platforms, such as Turo, to collect and pay vehicle rental taxes on behalf of their vehicle owners, similar to AO No. 2020-55 as adopted by the Municipality of Anchorage in July 2020. There are currently two fund sources for the Division of Parks and Outdoor Recreation's operating budget: receipts from park fees and receipts from the state's vehicle rental tax. Our intent in supporting this proposed legislation is to increase the state's vehicle rental tax receipts and increase available funding for maintenance and operations of Alaska's state park system.

Every year since FY 2020, the legislature has appropriated money from the vehicle rental tax fund exclusively to the Department of Transportation and the Division of Parks and Outdoor Recreation. This year, the Division of Parks and Outdoor Recreation received \$5,719.5 million from the vehicle rental tax fund, which represents 47% of the total appropriation. By increasing the tax dollars in the vehicle rental tax fund, a larger pool will be available to appropriate to the Division of Parks and Recreation.

Public use of state parks, including by independent tourists, has grown significantly without a commensurate increase in operating budgets. Chugach State Park, for instance, experienced a 47% increase in use between 2019 and 2021 and is Alaska's most visited public recreation destination. SB 127 would make sure the state collects all of these tourism tax dollars to help maintain and operate Alaska's state park system without the need for increased UGF. Alaskans love outdoor recreation and many recreate in the state park system, which is more accessible to most Alaskans than our national parks and refuges. Alaska's state parks are a significant draw for independent tourists and tourism is the 2<sup>nd</sup> largest employer in our state. We believe that adequately staffing our state parks and providing funding for basic needs, such as sanitation, is necessary for Alaskans' continued enjoyment of our state parks as well as to preserve and grow the state's tourism and outdoor recreation economies.

Please support Senate Bill 127 and help ensure that funding for our state park system keeps pace with the continued increases in public use.

Thank You,

Trond Jensen

Chair, Chugach State Park Citizen Advisory Board



**Juneau Area State Parks Advisory Board**  
**400 Willoughby Ave.**  
**Juneau, AK 99801**  
**(907) 465-4563**

Photo by Arnie Hanger

February 22, 2024

To: Honorable Members of the Alaska State Senate and House of Representatives:

The Juneau Area State Parks Citizen Advisory Board requests your support of Senate Bill 127, which would require vehicle rental platforms, such as Turo, to collect and pay vehicle rental taxes on behalf of their vehicle owners, similar to AO No. 2020-55 as adopted by the Municipality of Anchorage in July 2020. There are currently two fund sources for the Division of Parks and Outdoor Recreation's operating budget: receipts from park fees and receipts from the state's vehicle rental tax. Our intent in supporting this proposed legislation is to increase the state's vehicle rental tax receipts and increase available funding for maintenance and operations of Alaska's state park system.

Every year since FY 2020, the legislature has appropriated money from the vehicle rental tax fund exclusively to the Department of Transportation and the Division of Parks and Outdoor Recreation. This year, the Division of Parks and Outdoor Recreation received \$5,719.5 million from the vehicle rental tax fund, which represents 47% of the total appropriation. By increasing the tax dollars in the vehicle rental tax fund, a larger pool will be available to appropriate to the Division of Parks and Recreation.

Public use of state parks has grown significantly without a commensurate increase in operating budgets. Currently, the Alaska State Parks in the Southeast Region are looking at \$9,665 in deferred maintenance costs. SB 127 would make sure the state collects all tourism tax dollars to help maintain and operate Alaska's state park system without the need for increased UGF.

Please support Senate Bill 127 and help ensure that funding for our state park system keeps pace with the continued increases in public use.

Thank you,  
The JASPCAB Board

Christy Gentemann, Mareta Weed, Forest Wagner, Rory Darling, Joel Nudelman, Deborah Rudis



# KENAI RIVER

## Special Management Area

*"Working together...for the river"*

## ADVISORY BOARD

Kenai Region Office  
PO Box 1247  
Soldotna, AK 99669  
907-262-5581

February 16, 2023

To: Honorable Members of the Senate Finance Committee  
Honorable Members of the Alaska Senate and House of Representatives

RE: Letter of support for the Senate Bill 127

The Kenai River Special Management Area Citizens Advisory Board (KRSMACAB) was formed in 1985. Our purpose is to provide a forum for the collection and expression of opinions and recommendations on matters relating to the State Park within the Kenai River Special Management Area.

The State of Alaska Department of Parks and Outdoor Recreation, (DPOR) receives funding from the collection of excise tax on vehicles rented through car rental agencies and certain car rental platforms, which pay this tax in the State of Alaska. There are other rental platforms that provide a communication method for person-to-person rentals in Alaska avoiding the reporting of a rental transaction leaving the responsibility to the renter of the vehicle. There is a gap in this system and The Department of Revenue currently does not have enough data on the person-to-person rental information in Alaska to provide for an estimative revenue impact. Please close this gap and pass this legislation for the following reasons:

- The tax burden already exists – AS 43.52.010
- This Bill does not institute a new tax
- The legislation provides for a streamlined process for the Department of Revenue in collecting the person-to-person rental tax.

Alaska DPOR received approximately 50% of annual funding in 2023 from Alaska Vehicle Rental Excise Tax. Any increase in total disbursed funds by insuring the Department of Revenue receives due funding from all car rental businesses under AS 43.52.010 will benefit all Alaska State Parks.

The public use of Alaska State Parks by local residents and tourist has increased significantly which has put stress on DPOR personnel and parks. Deferred maintenance is a growing problem. The need for additional funding for one of Alaska's greatest assets has never been more important.

The Kenai River Special Management Area Citizens Advisory Board voted unanimous support of Senate Bill 127 on February 8, 2024.

Very Respectfully Submitted

Ronald Rogalsky

President KRSMACAB

# Seward State Parks Citizen Advisory Board

*The Division of Parks and Outdoor Recreation provides outdoor recreation opportunities and conserves and interprets natural, cultural, and historic resources for the use, enjoyment, and welfare of the people.*



January 5, 2024

Senate Finance Committee [Senate.Finance.Committee@akleg.gov](mailto:Senate.Finance.Committee@akleg.gov)  
cc: Senator Matt Claman [Senator.Matt.Claman@akleg.gov](mailto:Senator.Matt.Claman@akleg.gov)  
cc: Senator Gary Stevens [Senator.Gary.Stevens@akleg.gov](mailto:Senator.Gary.Stevens@akleg.gov)  
cc: Representative Louise Stutes [Representative.Louise.Stutes@akleg.gov](mailto:Representative.Louise.Stutes@akleg.gov)  
cc: DPOR Director Ricky Gease, [ricky.gease@alaska.gov](mailto:ricky.gease@alaska.gov)  
cc: Superintendent Hans Rinke, [hans.rinke@alaska.gov](mailto:hans.rinke@alaska.gov)

Dear Senate Finance Committee:

The Seward State Park Citizen Advisory Board requests your support of Senate Bill 127. This proposed legislation would move the responsibility for collecting and remitting the required vehicle lease and rental excise tax from the individual to the vehicle rental platform company. SB 127 would streamline collection of the required Vehicle Rental Tax (VRT) from peer-to-peer car sharing platforms such as Turo, and capture unreported vehicle rentals. It is not a new tax.

Alaska State Parks are a vital component of Seward's and our state's economic engines. The recent designation of the Fort McGilvray Historic District in Caines Head State Recreation Area to the National Register of Historic Places will attract even more visitors to our already popular Seward area state parks.

The Vehicle Rental Tax allocation provides a stable, sustainable funding platform for much-needed state park field operations. Visitors expect our state parks, especially those that are road-accessible like the Seward area state parks, to provide parking lots, restrooms, public use cabins, and trails. Maintenance, improvements, and timely investments in capital projects for outdoor recreation infrastructure on a shoestring budget with barebones staffing and funding is challenging. Underfunding jeopardizes the mission of Alaska State Parks.

Ensuring that all the required VRT is collected will in turn, help our state parks provide the expected visitor experiences.

We appreciate your consideration and support of Senate Bill 127. We fully support it.

Sincerely,  
Carol Griswold  
Chair



Kachemak Bay State Parks Citizen' Advisory Board  
95 Sterling Hwy, Suite 2  
Homer, Alaska 99603

To

Date 01-15-2024

Honorable Members of the Senate Finance Committee

Subject,

Letter of support for Senate Bill 127.

The Kachemak Bay State Parks & Kachemak Bay State Wilderness Park Citizens' Advisory Board, (KBSP & KBSWP CAB) was formed in September 1997. Our purpose is to provide a forum for the collection and expression of opinions and recommendation on matters relating to State Park units within the Kachemak Bay Watershed and Wilderness Park.

The State of Alaska Department of Parks and Outdoor Recreation, (DPOR) receive funding from the collection of excise tax on vehicles rented through car rental agencies and certain car rental platforms, which pay this tax in the State of Alaska. There are other rental platforms that provide a communication method for person-to-person rentals in Alaska avoiding the reporting of a rental transaction leaving the responsibility to the renter of the vehicle. There is a gap in this system and The Department of Revenue currently does not have enough data on person-to-person rental information in Alaska to provide for an estimative revenue impact. Please close this gap and pass this legislation for the following reasons:

- The tax burden already exists – AS 43.52.010
- This Bill does not institute a new tax
- The legislation provides for a streamlined process for the Department of Revenue in collecting the person-to-person rental tax.

Alaska DPOR received approximately 31.4% of annual funding in 2023 from the Alaska Vehicle Rental Excise Tax. Any increase in total disbursed funds by insuring the Department of Revenue receives due funding from all car rental businesses under AS 43.52.010 will benefit all Alaska State Parks,

The public use of Alaska State Parks by local residents and tourist has increased significantly which has put stress on DPOR personnel and parks. Deferred maintenance is a growing problem. The need for additional funding for one of Alaska's greatest asset has never been more important.

The Kachemak Bay State Parks and Kachemak Bay State Wilderness Park Citizens' Advisory Board voted their unanimous support of Senate Bill 127 on January 10, 2024.

Respectfully Submitted

*Robert Archibald*

Board Chair, KBSP & KBSWP CAB

January 24, 2024

To: Members of the Alaska Senate Finance Committee

From: Americans for Tax Reform

Re: **Oppose New and Retroactive Taxes on Carsharing**

Dear Senator,

On behalf of Americans for Tax Reform and our supporters across Alaska, I urge you to oppose legislation that would raise taxes on the peer-to-peer carsharing marketplace and its many participants, who earn extra income by renting out their personal vehicles.

The bill before you today is an effort to exacerbate the tax advantage rental car companies already have over peer-to-peer carsharing services. **SB 127 would stifle competition and add an undue burden to a thriving industry in Alaska**, while adding a hefty new tax on productive vehicle owners, who are already subject to a variety of registration, licensing and sales taxes.

Particularly important from the taxpayer's perspective are provisions that would retroactively collect "back-taxes" from well-meaning individuals, who previously had no reason to expect any tax liability when choosing to provide services in the carsharing marketplace. **Imposing taxes after the fact introduces instability into the tax code** – and sends a clear warning to businesses across all industries that they, too, might have reason to fear a similar post-facto increase in their tax liability. **If the goal of this legislation is to foster a fair, business-friendly tax climate in Alaska, a retroactive approach achieves exactly the opposite.**

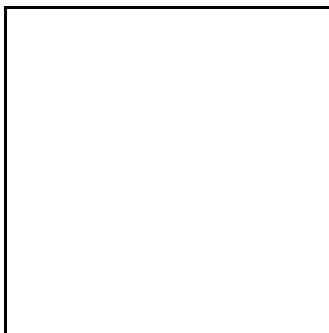
Moreover, SB 127 should at the very least offer a tax differential between carsharing and the traditional rental car industry, due to noteworthy differences in their respective business models. Last session's HB 90 provided for a lower tax rate of 5% on the "rental of a passenger vehicle from a vehicle rental individual," thus appropriately recognizing the fact that such individuals and a "vehicle rental **business**" (subject to a 10% tax rate) are two very different entities that ought to be treated differently under state law. **SB 127 would do well to recognize**

**this distinction, rather than apply an equivalent rate of 10% upon both carsharing and traditional rental car companies.**

Carsharing is an innovative business model that has allowed thousands of your constituents to unlock dormant capital through productive use of their assets. **By ensuring that the proposed framework for peer-to-peer carsharing avoids retroactivity and is structured in a way that acknowledges the inherent tax and regulatory advantages long enjoyed by traditional rental car industry, this committee could prevent some of the more serious harms that SB 127 would otherwise create.**

**For these reasons, ATR urges you to oppose SB 127 in its current form.** If I or ATR can be of assistance, please do not hesitate to contact me or Dennis Hull, ATR's state affairs manager, at 239-315-1020 or by email at [dhull@atr.org](mailto:dhull@atr.org).

Sincerely,



Grover G. Norquist

President

Americans for Tax Reform



January 23, 2024

The Honorable Lyman Hoffman  
Co-Chair,  
Senate Finance Committee  
State Capitol,  
120 4th Street, Room 532,  
Juneau, AK

The Honorable Bert Stedman  
Co-Chair,  
Senate Finance Committee  
State Capitol  
120 4th Street, Room 532,  
Juneau, AK

The Honorable Donald Olson  
Co-Chair,  
Senate Finance Committee  
State Capitol,  
120 4th Street, Room 532,  
Juneau, AK

Re: Oppose SB 127, “An Act relating to vehicle rental taxes; relating to the issuance of subpoenas related to tax records; and providing for an effective date.”

Dear Senator Hoffman, Senator Olson, Senator Stedman, and members of the Committee:

On behalf of Chamber of Progress, a tech industry coalition promoting technology’s progressive future, I write to urge you to **oppose SB 127**. This bill would hinder competition and limit consumer choices when it comes to rental car options. Instead, we encourage you to explore an alternative regulatory framework that has gained support from the incumbent rental car industry and peer to peer car sharing companies.

We are strong proponents of peer to peer car sharing because of its proven environmental and economic benefits. It encourages more efficient use of personal vehicles, cutting down on the need for individual car ownership, garages, and storage.<sup>1</sup> It also allows vehicle owners to generate additional

---

<sup>1</sup><https://mobilitylab.org/2013/09/06/why-should-local-governments-care-about-carsharing>

income to keep up with the rising cost of living. Finally, by providing an option for affordable, convenient transportation, peer-to-peer car sharing programs can help residents in transit deserts access jobs, grocery stores, and health care.

**SB 127 would burden consumers who use peer to peer car sharing services, hindering competition and limiting consumer choice.** By treating peer to peer car sharing companies like incumbent rental car operators for tax purposes, but not extending the same benefits rental car operators enjoy, this bill would result in disproportionate burdens on peer to peer car sharing companies. The bill would also enable the Department of Revenue to retroactively assess taxes on peer to peer transactions under a tax ordinance that was enacted before the peer to peer industry even existed.

Traditional rental car operators enjoy discounts and sales tax exemptions on fleet purchase. They are also allowed to pass certain business costs, like Vehicle Licensing Fees, directly onto their customers. Peer to peer car sharing companies do not enjoy the same benefits. **Imposing disproportionate tax burdens for peer to peer car sharing companies will make it harder for them to compete against the incumbent rental car industry and raise prices, ultimately limiting options for consumers.**

Instead of imposing unfair obligations on peer to peer car sharing companies, we encourage you to adopt a compromise regulatory framework. Peer to peer car sharing companies, incumbent rental car operators, and insurance regulators have agreed upon consensus model state legislation with the National Council of Insurance Legislators (NCOIL).<sup>2</sup> The consensus model creates reasonable insurance standards and fees for rental companies, keeping costs down for consumers and protecting competition within the industry.

To protect consumer choice, encourage competition, and protect Alaska residents' access to the benefits of peer-to-peer car sharing, we urge you to **oppose SB 127**. Instead, we encourage you to adopt the consensus framework approved by the incumbent rental car industry, NCOIL, and peer to peer car sharing companies.

---

<sup>2</sup> <https://ncoil.org/2020/02/03/ncoil-adopts-peer-to-peer-car-sharing-program-model-act/>

Thank you,

A handwritten signature in black ink, appearing to read 'R. Singleton', with a stylized, cursive script.

Robert Singleton  
Director of Policy and Public Affairs, US West



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

TechNet Northwest | Telephone 253.441.5272  
P.O. Box 7036, Olympia, WA 98501  
[www.technet.org](http://www.technet.org) | @TechNet\_NW

January 24, 2024

The Honorable Lyman Hoffman  
The Honorable Donald Olson  
The Honorable Bert Stedman  
Co-Chairs, Alaska Senate Finance Committee  
Juneau, Alaska 99801

*RE: SB 127, regarding vehicle rental taxes*

Co-Chairs Hoffman, Olson, and Stedman:

I am writing today respectfully in **opposition to SB 127**, a bill related to peer-to-peer car sharing.

TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents over 4.2 million employees and countless customers in the fields of information technology, artificial intelligence, e-commerce, the sharing and gig economies, advanced energy, transportation, cybersecurity, venture capital, and finance.

Peer-to-peer car sharing companies host a platform that connects vehicle owners with people who need access to a car, including Alaska residents. It provides users with more choices and allows car-owning Alaska residents to create passive income opportunities. These platforms also create convenient, affordable, and environmentally friendly on-demand access to vehicles for those who do not own cars, or for whom car ownership is cost prohibitive.

Peer-to-peer car sharing companies are innovative and have a fundamentally different business model from traditional rental car companies. Unlike rental car companies, these platforms do not own or operate a fleet of vehicles; they simply provide the marketplace in which individuals can loan out their personal vehicle to others. Unfortunately, SB 127 does not account for financial benefits that rental car companies receive, including the ability to pass through a vehicle licensing fee, skirting sales tax obligations in local jurisdictions where it applies, and fleet discounts on wholesale purchases of vehicles. As a result, Alaskan car owners sharing their vehicles on peer-to-peer car sharing platforms would also not receive those benefits but still be saddled with the added cost due to the new tax.

We believe that there should be some variation to account for financial benefits that traditional rental companies receive, otherwise the application of SB 127 will result in both increased costs to residents seeking access to a car or truck and a reduction in the earning potential of individuals who offer their vehicles on these platforms.

We welcome a regulatory framework for car sharing in the state and therefore suggest the consensus model from the National Council of Insurance Legislators (NCOIL), which would provide a uniform, responsible, and appropriate insurance regulatory framework for the peer-to-peer car sharing industry. The model law was developed and agreed upon through extensive stakeholder participation and ensures there are robust and uniform measures for consumer safety, transparent pricing, and insurance coverage. The model law allows states the flexibility to add state-specific language to fit their current statutes.

Thank you for your attention to this important issue. Don't hesitate to reach out if I can answer any questions.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ashley Sutton', with a stylized flourish at the end.

Ashley Sutton  
Executive Director  
Washington & the Northwest  
TechNet  
[asutton@technet.org](mailto:asutton@technet.org)