

HB

271

THE
FOLLOWING
DOCUMENT(S)
ARE
POOR
ORIGINAL
COPIES

May 8th, 2003

My family has owned and operated Alaska Car Rental for nearly 25 years. During this span of time, we have developed a consistent business relationship with people in Ketchikan and people from Metlakatla, Prince of Whales Island, and other Southeast Alaska communities. Our business provides affordable transportation for doctor's visits, vehicle replacement, shopping, family activity, etc. Twelve months a year, people of these communities use our service. HB 271, the 10% state auto rental tax, stands to tear our business apart.

The senate finance committees estimate that 80% of the tax would be paid by visitors is a negligent exaggeration. It is completely irresponsible for legislatures to publicize such estimates without first surveying car rental agencies. Over 70% of Alaska Car Rentals annual revenue is derived from business travel, and local use. Close to 75% of all clients reside within the state of Alaska. It stands to reason that similar percentages apply to agencies with our type of clientele.

Please don't overlook the many Alaska residents who stand to suffer if this bill is passed. Business travelers and the greater Ketchikan area have relied on our affordable transportation for years and without question our revenue will be impacted. Combine HB 271 (10% tax) with Ketchikan's current 5.5% city sales tax, and a 8% airport concession fee*, and prospective rental clients will have to consider whether a 23.5% tax on top of rental fees is economical transportation. This tax turns a \$40/day rental into a \$50/day charge, or simply put death to our business. Seven full-time employees, 4 with families, stand to lose their jobs.

Taxing small business out of business is not the answer to Alaska's fiscal problems. I'm extremely disturbed by this bill, and ask for you to vote against it.

Thank you for your time,

Todd Ranniger
Alaska Car Rental
2828 Tongass Avenue
Ketchikan, AK 99901
907-225-5000

* 10% airport concession fee: New occupancy lease, scheduled to be enforced when a particular phase of airport remodeling is completed (late summer, 2003).

Subject:

Date: Thu, 8 May 2003 10:59:26 -0800

From: "Andrew Halcro" <ahalcro@avisalaska.com>

To: "Representative Norman Rokeberg" <representative_norman_rokeberg@legis.state.ak.us>

CC: <Senator_Ben_Stevens@legis.state.ak.us>

Dear Norm,

I have prepared what I believe are the most salient points about the substantial contribution that car rental customers currently pay to the State of Alaska as well as some important points about the status of our industry.

- In 2002, car rental customers paid \$3.7 million in direct taxes to the Department of Transportation at the Anchorage International Airport.
- In 2002, car rental customers paid over \$720,000 in direct taxes to the Department of Transportation in Fairbanks.
- In 2002, car rental companies paid an estimated \$1.5 million dollars in DMV fees
- In 2002, car rental companies and customers in Anchorage alone contributed an estimated \$600,000 in state gasoline taxes
- A 10% statewide tax would mean in Anchorage, car rental customers would pay 29% in state and local taxes.
- A 10% statewide tax would mean car rental customers would pay 19% in Sitka, 20% in Fairbanks, 26% in Juneau, 26% in Kenai, 16% in Petersburg, 14% in Skagway.

The industry:

- Visitors that travel to Alaska via domestic airlines are shrinking. (This is our customer base)
- In 1997, over 2,140,000 deplaned at the Anchorage Airport.
- In 2002, that number was 2,246,000 which means the market grew only 4% in the last six years
- In 1997, over 414,000 people deplaned at the Fairbanks Airport
- In 2002, that number was 416,000 which means traffic increased less than 1% in six years.
- In Kenai, deplanements were down 12% in 2002 and are down 21% year to date.

So it's clear that our customer base has not grown in the last six years and that is directly due to a struggling statewide economy and a lack of investment in tourism marketing. So the answer is impose a 10% tax?

What about our neighbors the cruise industry?

While deplaning traffic has been anemic the last six years, the amount of visitors traveling to Alaska on cruise ships has increased 82%. According to the ATIA, over 390,000 travelers in 1997 came to Alaska via cruise ships. In 2002, that number was 710,000.

But then again, you and I both know that the reason the cruise ship industry has escaped taxation for so long is because lobbyist like Joe Hayes have been able to exercise their political clout with Republicans who are hungry for re-election support.

As far as I'm concerned, this unfair targeting of my industry needs to stop now.

If you and your colleagues are truly looking for a solution to the fiscal gap I would suggest you muster the courage to put forth a plan that will not only solve the fiscal gap but grow the economy.

However, levying one of the highest taxes of its kind, (Only Maryland at 11.5% will be higher) on an industry that is already contributing significantly to the State is not the way to accomplish that.

If you honestly feel my customers should be contributing more, at least be fair and get a contribution for those who stay at hotels, arrive on cruise ships, eat at restaurants and ride in taxi cabs.

Even the sponsor of the bill is on record opposing a cruise ship head tax because it unfairly singles out an industry. How about asking him to reconcile that statement with a 10% tax on the car rental industry?

According to the sponsor, 80% of the car rental tax is going to be paid for by tourist. Wouldn't a cruise ship head tax be paid for 100% by tourist?

You're the Chairman, you have the ability to determine the direction of this bill and I would hope that you exercise good sound economic judgment before you allow this bill to go to the floor.

And if you're worried about political pressure from 27 other Republicans, just remember that none of them live in your district.

The more I think about this bill and the way it has been handled the more angry I get.

Thanks for your time.

Andrew Halcro
President/CEO
Avis Rent A Car of Alaska
(907) 249-8237

ahalcro@avisalaska.com

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHB 271(W&M)
 (H) Publish Date: 4/24/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Passenger Vehicle Rental Tax BRU Revenue Operations
 Component Tax Division
 Sponsor Representative Kott
 Requester House Ways and Means Committee Component No. 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	55.0	55.0	55.0	55.0	55.0	55.0
Travel	5.0	2.0	2.0	2.0	2.0	2.0
Contractual	25.0	12.0	12.0	12.0	12.0	12.0
Supplies	3.0	1.0	1.0	1.0	1.0	1.0
Equipment	8.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	96.5	70.0	70.0	70.0	70.0	70.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	5,000.0	7,500.0	7,500.0	7,500.0	7,500.0	7,500.0
-------------------------------	----------------	----------------	----------------	----------------	----------------	----------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	96.5	70.0	70.0	70.0	70.0	70.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	96.5	70.0	70.0	70.0	70.0	70.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

See attached pages for discussion of this legislation, and the revenue estimate and operating costs.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
 Division Department of Revenue Date/Time 4/16/03 7:46 PM
 Approved by: Larry Persily, Deputy Commissioner Date 4/16/2003
 Agency Department of Revenue

**CSHB 271(W&M) - Passenger Vehicle Rental Tax
Department of Revenue - April 16, 2003**

FN #1, Page 2 of 4

SECTIONAL ANALYSIS

Section 1 amends AS 43 by adding a new chapter establishing a passenger vehicle rental tax.

AS 43.52.010 imposes a tax on the lease or rental of a passenger vehicle, but not on commercial vehicles. Leases or rentals on passenger vehicles that exceed 90 consecutive days also would be exempt.

A commercial motor vehicle is defined in state statute as a motor vehicle with a gross weight rating exceeding 26,000 pounds, or a motor vehicle that is designed to transport more than 15 passengers including the driver, or is used to transport hazardous materials under the Hazardous Materials Transportation Act, or a combination of a motor vehicle and at least one other vehicle that is used on a highway or vehicular way to transport passengers or property.

The bill could be understood in this section to require that the passenger vehicle be manufactured in Alaska. We certainly would interpret the words "made in this state" on Lines 7 and 8 of Page 1 to refer back to "charge" rather than to the immediately preceding word "vehicle." However, to make it clear, we would suggest an amendment to read:

"There is imposed an excise tax on the [CHARGE FOR THE] lease or rental of a passenger vehicle [MADE] in this state if the lease or rental [OF THE PASSENGER VEHICLE] does not exceed a period of 90 consecutive days.

AS 43.52.020 provides that the tax is 15% of the amount charged for the lease or rental of the passenger vehicle. We interpret the "amount charged" to refer to the agreed base rental rate to be charged (daily rate plus mileage charges), which would exclude discounts and municipal and other taxes and fees.

AS 43.52.030 imposes the tax on the lessor, and the tax must be remitted as required by the department in regulation. The department anticipates it will require the filing of quarterly returns due on the last day of the month following each quarter, with payment in full due with the returns.

AS 43.52.040 provides that the tax applies to leases and rentals in the state without regard to whether the passenger vehicle is registered or licensed in the state.

AS 43.52.050 provides that the tax is in addition to municipal taxes on passenger vehicle rentals.

**CSHB 271(W&M) - Passenger Vehicle Rental Tax
Department of Revenue - April 16, 2003**

FN #1, Page 3 of 4

AS 43.52.060 gives the department the authority to adopt regulations to administer the tax and requires the money to be deposited into a special account in the General Fund. The Legislature may appropriate the money for tourism development and marketing.

AS 43.52.099 defines the term "passenger vehicle" and "tax".

Section 2 provides that the Department may adopt regulations to implement this Act.

Section 3 makes section 2 effective immediately.

Section 4 provides that the actual tax would start July 1, 2003.

OVERALL ANALYSIS

This legislation would impose a 15% tax on the rental of motor vehicles, predominantly passenger cars and trucks, but also motorcycles. Trucks that do not fall within the commercial vehicle classification would be subject to the tax. This would likely include some of the smaller trucks leased by self-service moving companies.

The tax would apply to recreational vehicles. The department interprets the legislation to apply to RV's because most RV's would not be classified as commercial motor vehicles unless they had a gross vehicle weight rating (GVWR) exceeding 26,000 pounds or were designed to carry more than 15 passengers. The GVWR is the weight specified by the manufacturer as the maximum weight that the chassis is designed to handle. While there are higher-end RV's that easily exceed the 26,000-pound GVWR threshold, we would not expect those RV's to be used in a rental business.

The department also interprets the legislation not to apply to the rental of "Fifth Wheels" or "Tagalongs" or similar vehicles that are trailed or towed behind a motor vehicle. Under the bill, a passenger vehicle is a motor vehicle and a motor vehicle is a self-propelled vehicle.

Passenger vehicles leased for more than 90 consecutive days are exempt from the tax. This would exclude passenger cars leased by individuals and businesses for long-term use as an alternative to the purchase of a vehicle. The department, however, interprets the bill to require that the rental must actually run for 91 consecutive days to be exempt. A long-term lease that is cancelled, for example, after 45 days would result in the application of the tax to the rental.

**CSHB 271(W&M) - Passenger Vehicle Rental Tax
Department of Revenue - April 16, 2003**

FN #1, Page 4 of 4

OPERATING EXPENDITURES

The Department of Revenue (DOR) anticipates additional costs for administering the provisions of this bill. There are more than 100 businesses that rent out cars and RV's across Alaska. We envision that this tax would be paid quarterly, which would mean between 400 and 500 tax returns during the year, of which several might involve questions, audits or additional work, and perhaps enforcement and collection efforts.

The Department expects it will need the equivalent of one full-time employee to handle the accounting and collections, taxpayer service and compliance work associated with this tax. In addition, we would expect to conduct taxpayer outreach and education efforts to help start this new program.

In addition to the outreach and education effort, the Department would need to move quickly to set up this new tax program for July 1, 2003, and would use the additional contractual funds requested in Fiscal 2004 to pay for setting up a computer program for tracking payments.

REVENUE ESTIMATE

The Department estimates the passenger car rental business in Alaska totals about \$50 million per year. Therefore, each 1% tax on rentals would raise approximately \$500,000 per year, and the 15% tax in this legislation would raise an estimated \$7.5 million per year for the state. The revenue in the first year of the program, Fiscal 2004, is estimated at \$5 million because the state would receive just three quarterly tax payments in the first year, and would miss out on the start of the tourism season in May and June 2003.

For comparison purposes, Anchorage imposes an 8% tax on vehicle rentals, with Cordova at 6% and Yakutat at 4%.

FISCAL NOTE

STATE OF ALASKA
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 271(FIN)
(H) Publish Date: 5/7/03

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
Title: Passenger Vehicle Rental Tax BRU: Revenue Operations
Sponsor: Representative Kott Component: Tax Division
Requester: House Finance Committee Component No.: 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services	55.0	55.0	55.0	55.0	55.0	55.0
Travel	5.0	2.0	2.0	2.0	2.0	2.0
Contractual	25.0	12.0	12.0	12.0	12.0	12.0
Supplies	3.0	1.0	1.0	1.0	1.0	1.0
Equipment	8.5					
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	96.5	70.0	70.0	70.0	70.0	70.0

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()	4,000.0	6,000.0	6,000.0	6,000.0	6,000.0	6,000.0
-------------------------------	----------------	----------------	----------------	----------------	----------------	----------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	96.5	70.0	70.0	70.0	70.0	70.0
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	96.5	70.0	70.0	70.0	70.0	70.0

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This legislation would impose a 10% state tax on the rental or lease of passenger vehicles, and a 3% state tax on the lease or rental of recreational vehicles. The new taxes would take effect July 1, 2003. Commercial vehicles and farm equipment would be exempt, as would emergency and firefighting vehicles and all rentals by state, federal and local government employees on official business. Vehicles leased for more than 90 consecutive days also would be exempt from the tax.

The definition of recreation vehicles in this legislation includes traditional RVs plus campers, camper trailers, and pickup trucks with camper units mounted on the bed.

See attached page for the revenue estimate and operating costs.

Prepared by: Larry Persily, Deputy Commissioner Phone 465-5469
Division: Department of Revenue Date/Time 5/6/03 5:19 PM
Approved by: Larry Persily, Deputy Commissioner Date 5/6/2003
Agency: Department of Revenue

**CSHB271(FIN) - Passenger Vehicle Rental Tax
Department of Revenue – May 6, 2003**

Page 2 of 2 - FN #2

OPERATING EXPENDITURES

The Department of Revenue anticipates additional costs for administering the provisions of this bill. There are more than 100 businesses that rent out cars and RV's across Alaska. We envision that this tax would be paid quarterly, which would mean between 400 and 500 tax returns during the year, of which several might involve questions, audits or additional work, and perhaps enforcement and collection efforts.

The Department expects it will need the equivalent of one full-time employee to handle the accounting and collections, taxpayer service and compliance work associated with this tax. In addition, we would expect to conduct taxpayer outreach and education efforts to help start this new program.

In addition to the outreach and education effort, the Department would need to move quickly to set up this new tax for July 1, 2003, and would use the additional contractual funds requested in Fiscal 2004 to pay for a computer program for tracking payments.

REVENUE ESTIMATE

The Department estimates the combination of a 10% passenger vehicle tax and a 3% RV tax would raise approximately \$6 million a year in additional revenue to the state. The revenue in the first year of the program, Fiscal 2004, is estimated at \$4 million because the state would receive just three quarterly tax payments in the first year, and would miss out on the start of the tourism season in May and June 2003.

Alaska State Legislature

Session: (Jan-May)
State Capitol, Room 208
Juneau, AK 99801-1182
(907) 465-3777
Fax (907) 465-2819

Interim: (June-Dec)
716 West 4th Avenue, Suite 600
Anchorage, AK 99501-2133
(907) 269-0155
(907) 269-0154 Fax



Pete Kott
Speaker of the House

Sponsor Statement
for
CS for House Bill 271 (FIN)

“An Act levying and providing for the collection and administration of an excise tax on rental of passenger and recreational vehicles usable on highways and vehicular ways; and providing for an effective date.”

The travel industry is the second largest private-sector industry in Alaska. There were 1.6 million visitors to the state in 2002 -- two visitors for every resident. More Americans are choosing to spend their vacations in the United States since September 11, 2001, when international travel became more uncertain. Alaska's distance from the lower 48 states makes it an interesting destination and adventure; Alaska's geographic size, small population, and natural attractions contribute to a feeling of security for tourists.

The majority of visitors to Alaska come by cruise ship or domestic flight, and many of these visitors rent passenger or recreational vehicles to view our scenery and wildlife. Extra vehicles exacerbate the need for road maintenance and repair and conduces interest in construction of roads into other potential tourist destinations.

House Bill 271 is a way for the State to raise revenues that could be used for road and highway maintenance, repair, and construction as well as contributed to the tourism industry for promotion and marketing. This bill would levy a 10 percent tax on the amount charged for the lease or rental of a passenger vehicle, exempting government employees, and would put us on a par with other states' taxes on rentals. House Bill 271 has the potential of bringing \$6.0 million annually to the State.

At a time when State government spending must be decreased in order to balance the budget, those who benefit from State services must, concurrently, contribute to the support of those services.

A M E N D M E N T

OFFERED IN THE HOUSE
TO: CSHB 271(FIN)

BY REPRESENTATIVE ROKEBERG

1 Page 1, line 11:

2 Delete "The"

3 Insert "Except in a municipality that imposes a specific vehicle rental tax on passenger
4 vehicle rentals under AS 29.45, the"

5

6 Page 1, line 13, following "passenger vehicle.":

7 Insert "In a municipality that imposed a specific vehicle rental tax on passenger
8 vehicle rentals under AS 29.45 in effect on January 1, 2003, the rate of the state passenger
9 vehicle rental tax levied under AS 43.52.020 is 10 percent less the amount of the municipal
10 tax. If the municipal tax is greater than 10 percent, then the rate of the state tax is zero."

11

12 Page 2, line 4:

13 Delete "The"

14 Insert "Except in a municipality that imposes a specific vehicle rental tax on
15 recreational vehicle rentals under AS 29.45, the"

16

17 Page 2, line 6, following "recreational vehicle.":

18 Insert "In a municipality that imposed a specific vehicle rental tax on recreational
19 vehicle rentals under AS 29.45 in effect on January 1, 2003, the rate of the state recreational
20 vehicle rental tax levied under AS 43.52.030 is three percent less the amount of the municipal
21 tax. If the municipal tax is greater than three percent, then the rate of the state tax is zero."

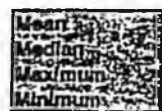
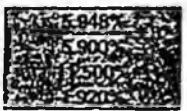
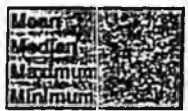
22

23 Page 2, lines 17 - 19:

- 1 Delete all material.
- 2
- 3 Page 2, line 20:
- 4 Delete "Sec. 43.52.080"
- 5 Insert "Sec. 43.52.070"
- 6
- 7 Page 2, line 27:
- 8 Delete "Sec. 43.52.090"
- 9 Insert "Sec. 43.52.080"

Table 2
Rental Car Tax
State-by-State Comparison¹

State	State Rental Tax		State Sales Tax		Local Rental Tax		Local Sales Tax		Effective Tax	
	Tax Rate ²	Applicable	Tax Rate	Applicable	Maximum Local Rate ^{2,3}	Applicable	Local Rate	Maximum Effective Tax	Rank	
Illinois ⁴	5.000%	No	8.250%		18.500%	Yes	up to 2%	31.750%	1	
Arizona ³	5.000%	Yes	5.000%		17.300%	Yes	up to 2.5%	29.800%	2	
Massachusetts ⁵	0.000%	Yes	5.000%		20.600%	N.A.	N.A.	25.600%	3	
Texas ³	10.000%	No	8.250%		13.000%	No	up to 2%	23.000%	4	
Louisiana ³	3.000%	Yes	4.000%		10.250%	Yes	up to 5%	22.250%	5	
Washington ³	5.900%	Yes	6.500%		7.000%	Yes	up to 2.1%	21.500%	6	
Nevada ³	6.000%	Yes	7.500%		8.000%	Yes	up to 0.5%	21.000%	7	
North Carolina ³	8.000%	No	4.000%		10.000%	Yes	up to 2.5%	20.500%	8	
Colorado ³	0.000%	Yes	2.900%		11.460%	Yes	up to 5%	19.360%	9	
North Dakota ³	3.000%	Yes	5.000%		10.000%	No	up to 1.75%	18.000%	10	
Indiana ¹	0.000%	Yes	5.000%		13.000%	N.A.	N.A.	18.000%	11	
Oregon ³	0.000%	N.A.	N.A.		18.000%	N.A.	N.A.	18.000%	11	
Utah	6.500%	Yes	4.750%		3.000%	Yes	up to 3.35%	17.600%	13	
California ³	0.000%	Yes	7.000%		8.000%	Yes	up to 2.5%	17.500%	14	
Minnesota ³	6.200%	Yes	6.500%		3.500%	Yes	up to 1%	17.200%	15	
Georgia ³	0.000%	Yes	4.000%		11.000%	Yes	up to 2%	17.000%	18	
Virginia ²	8.000%	No	4.500%		7.000%	Yes	up to 2%	17.000%	16	
New Jersey ³	0.000%	Yes	6.000%		10.000%	N.A.	N.A.	16.000%	18	
New Mexico	9.000%	Yes	5.000%		N.A.	Yes	up to 1.9375%	15.938%	19	
Nebraska	4.500%	Yes	5.000%		4.000%	Yes	up to 1.5%	15.000%	20	
Oklahoma	6.100%	Yes	4.500%		N.A.	Yes	up to 4%	14.600%	21	
Arkansas	5.500%	No	5.125%		5.000%	Yes	up to 4%	14.500%	22	
Dist. of Columbia ³	10.000%	No	5.750%		4.000%	N.A.	N.A.	14.000%	23	
New York	5.000%	Yes	4.000%		N.A.	Yes	up to 4.25%	13.250%	24	
Ohio	0.000%	Yes	5.000%		6.000%	Yes	up to 2%	13.000%	25	
Pennsylvania	6.000%	Yes	6.000%		N.A.	Yes	1%	13.000%	25	
Rhode Island	6.000%	Yes	7.000%		N.A.	N.A.	N.A.	13.000%	25	
Wisconsin	3.000%	Yes	5.000%		4.000%	Yes	up to 0.6%	12.600%	28	
Alabama	8.000%	No	4.000%		N.A.	Yes	up to 4%	12.000%	29	
Florida	4.100%	Yes	6.000%		0.000%	Yes	up to 1.5%	11.600%	30	
Maryland	11.500%	No	5.000%		N.A.	N.A.	N.A.	11.500%	31	
South Dakota	5.500%	Yes	4.000%		N.A.	Yes	up to 2%	11.500%	32	
Connecticut	5.000%	Yes	6.000%		N.A.	N.A.	N.A.	11.000%	33	
South Carolina	5.000%	Yes	5.000%		N.A.	Yes	up to 1%	11.000%	33	
Tennessee	2.000%	Yes	6.000%		N.A.	Yes	up to 2.75%	10.750%	35	
Kansas	3.500%	Yes	4.900%		0.000%	Yes	up to 2%	10.400%	36	
Wyoming	4.000%	Yes	4.000%		N.A.	Yes	up to 2%	10.000%	37	
Hawaii	6.000%	Yes	4.000%		N.A.	N.A.	N.A.	10.000%	37	
Maine	10.000%	No	5.000%		N.A.	N.A.	N.A.	10.000%	37	
Kentucky	0.000%	Yes	6.000%		3.000%	N.A.	N.A.	9.000%	40	
Mississippi	6.000%	Yes	3.000%		N.A.	N.A.	N.A.	9.000%	40	
Michigan	0.000%	Yes	6.000%		2.000%	N.A.	N.A.	8.000%	42	
New Hampshire	8.000%	N.A.	N.A.		N.A.	N.A.	N.A.	8.000%	42	
Missouri	0.000%	Yes	4.225%		N.A.	Yes	up to 3.75%	7.975%	44	
Idaho	0.000%	Yes	5.000%		N.A.	Yes	up to 2%	7.000%	45	
Iowa	0.000%	Yes	5.000%		0.000%	Yes	up to 1%	6.000%	46	
Alaska	0.000%	N.A.	N.A.		N.A.	Yes	up to 6%	6.000%	47	
Vermont	0.000%	Yes	5.000%		N.A.	Yes	1%	6.000%	47	
West Virginia	0.000%	Yes	6.000%		N.A.	N.A.	N.A.	6.000%	47	
Montana ⁶	1.920%	N.A.	N.A.		N.A.	Yes	up to 3%	1.920%	50	
Delaware	1.920%	N.A.	N.A.		N.A.	N.A.	N.A.	1.920%	51	



¹Sources: The National Conference of State Legislatures July 1999, "Travel and Tourism a Legislator's Guide"; Federal Tax Administrators, and National Car Rental for select states. Sources do not coincide for every state.

²Per day charges are converted to percentages using \$50.00 as a base price before surcharges and taxes

³Maximum local tax include additional off-airport car rental fees;

AZ-7%, CA-8%, CO-5.96%, DC-4%, GA-8%, IN-7%, LA-5%, MN-3.5%, NV-8%, NJ-10%, NC-5%, ND-10%, OR-4%, TX-8%, VA-7%, WA-4%

⁴Maximum local tax includes transit taxes (18.5% in Chicago)

⁵Maximum local tax includes 20.6% surcharge that is only assessed in Boston

⁶Resort tax