Enterprise CarShare Stands Up for Arizona by Supporting Tourism and Local Taxes

ST. LOUIS (April 4, 2019) – Enterprise CarShare – a service of Enterprise Rent-A-Car – is part of a broad coalition in Arizona working to create an even playing field among car rental industry partners, ensuring fair opportunity for success.

The coalition includes American Car Rental Association members like Enterprise and Hertz, as well as cities, airports, the Arizona Lodging and Tourism Association, and the Cactus League. They believe all consumer transactions, including peer-to-peer rentals and carsharing, should be governed in a fair and consistent way from coast to coast.

In fact, Kim Sabow, president and CEO of the Arizona Tourism & Lodging Association, expressed concerns in a recent op-ed: “Allowing certain businesses to avoid paying taxes is essentially picking winners and losers, which creates a very real threat to maintaining and promoting one of our greatest economic drivers: tourism.”

Kevin Bass, Enterprise Vice President and General Manager for Arizona, concurs. “Residents and visitors deserve to know that the car they are renting in Arizona – and the company they are renting from or through – complies with local, state and municipal laws intended to protect consumers and fund local governments,” Bass said. “Enterprise is committed to following all federal, state and local laws, regardless of whether our customers are renting for an hour, a day, a week or longer.”

Enterprise CarShare

For example, Enterprise CarShare offers an affordable, innovative and convenient way to rent a vehicle by the hour, the day, or overnight. The brand serves hundreds of businesses, government agencies in 35 states, and more than 125 college campuses, including Arizona State University (ASU).

The current ASU carsharing program is just one part of Enterprise’s robust network that provides a comprehensive portfolio of transportation solutions for Arizona residents and visitors, including car rental, ridesharing (vanpooling), car sales, truck rental, online ride-matching and affiliated fleet management services.

The ASU carsharing program – launched in June 2015 – currently enrolls nearly 1,400 members. ASU students, faculty and staff can access CarShare vehicles parked in convenient locations across four of the university’s campuses: Tempe campus, Downtown Phoenix campus, West campus and Polytechnic campus. The vehicles available include mid- and full-size sedans and SUVs, such as Nissan Sentras, Altimas, Rogues and Pathfinders.

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The program facilitates an average of 650 trips every month, totaling nearly 8,000 trips and 320,000 miles driven by students, faculty and staff every year. Each trip averages four hours in length, demonstrating the need for this type of on-demand transportation service on college campuses.

Enterprise’s user-friendly technology allows renters to reserve vehicles 24/7, and the low hourly and daily rates include gas, insurance, roadside assistance and 200 miles per day. And, with the Enterprise CarShare app for iPhone and Android users, U.S. members can make or modify reservations, extend rentals and choose pickup locations, all from their mobile device.

**Common-Sense Requirements**

With more than 5,800 offices – one located within 15 miles of 90 percent of the U.S. population – Enterprise believes in common-sense requirements across the board, such as ensuring vehicle safety, offering transparent pricing, and collecting mandatory state and municipal fees on which local governments and jurisdictions rely. Carsharing is not, and never should be, an exception.

Nearly all car rental and carsharing companies today use digital platforms to interact with consumers and facilitate online transactions. “No matter how customers choose to communicate with us, we make sure that every one of our services adheres to the same regulations as our daily car rental operations,” Bass stressed. “And the same goes for state, county and local taxes.”

Unfortunately, it appears that in Arizona many peer-to-peer car rental providers object to being held accountable and paying their fair share in local taxes and fees – although they have historically and consistently described themselves in their marketing materials and customer-facing public relations strategies as car rental or carsharing.

Peer-to-peer car rental providers are not the entrepreneurial start-ups many perceive them to be – in reality, many are backed by a large contingent of deep-pocketed venture capitalists, private equity funding and automotive manufacturers. Yet they continue to demand tax breaks so that peer-to-peer providers don’t have to ever collect or pay the same state and local taxes, or airport concession fees, as other rental car companies. As a result of this uneven playing field, it’s no surprise that most peer-to-peer providers can often advertise lower rates in Arizona.

Meanwhile, they also benefit from confusion about normal tax policies. Taxes and surcharges on rental car transactions are typically paid by the person renting the car. Consequently, individuals listing their vehicles with peer-to-peer car rental providers would not customarily be subject to these charges. Therefore, claims about unfair taxes or “double-taxation” are profoundly misleading and deceptive. “As accountants know full well, such taxes occur at the consumer level when retail transactions occur,” said Bass.

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