Peer-to-Peer Car Rental

WHAT THEY ARE SAYING

About taxes:

"While reducing or eliminating rental car taxes would be the ideal solution, if that’s not achievable, lawmakers should reform rental car taxes to focus on the use and service at issue."

R Street Institute: "3 Paths Forward for Rental Car Taxes"

"I question whether rental car taxes should exist, but if they are going to exist, they should be applied equally and in a revenue-neutral fashion."

Show-Me Institute: "Is Turo a ‘Motor Vehicle Leasing Company?’"

"A taxation system that is based on the service at issue rather than other factors will help ensure mode neutrality for transportation and an equal playing field in the marketplace."

R Street Institute: "R Sheet on Rental Car Taxes"

"Both peer-to-peer shared vehicles and commercially owned rental vehicles are currently subject to the full ten percent Motor Vehicle Rental Taxes. However, compliance within the peer-to-peer rental industry is extremely low."

Virginia Department of Taxation (2020 Fiscal Impact Statement)

"...For taxation purposes, treat peer-to-peer vehicles like other motor vehicle rentals in the Commonwealth of Virginia."

Virginia Transit Association

"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."

Arizona Tourism & Lodging Association

“My objective in working through this issue was two-fold. To establish clear standards for insurance coverage in these three-party transactions, and to ensure all peer-to-peer platforms that receive the end customer’s money are paying applicable state taxes as the facilitating vendor."

Ohio House Majority Leader Bill Seitz (R-30)

"If you’re Hertz, we know about you. You register with us and pay your taxes. Turo is invisible to us because we don’t know the names, let alone contact information, for people renting the cars... We’re losing something, but it’s hard to tell how much."

State of Alaska
“Municipalities have watched their funds be depleted in recent years, which is why it is imperative that the state not prevent them from collecting this revenue, particularly since it falls in line with industries already being taxed.”

**Illinois Municipal League**

“Just a couple years ago, legislators tackled online lodging companies like Airbnb and VRBO. Legislators and the industry ended up embracing the same taxes charged at legacy hotel companies. We hope the peer-to-peer industry acts the same way rather than expect a free ride....”

**Cactus League Baseball Association**

“It is the act of renting a vehicle that triggers the requirement to collect and remit the rental car surcharge, not how the rental company is established or how the reservation is made.”

**Associated Industries of Florida**

“The Virginia Municipal League’s position is that it is incredibly unfair to ask the residents of the Commonwealth to subsidize essential services because there are peer-to-peer vehicle rental companies who are opting out of paying their fair share.”

**Virginia Municipal League**

“Rental car transactions should be taxed based on how the car is used, not based on the entity whether business or personal, who owns it”

**Pegasus Institute: Innovation, Car Rentals, and Taxation**

“The tax treatment of purchases by rental car companies is sound tax policy that should be celebrated – not condemned... These transactions are considered to be business-to-business, which aren’t typically taxed. In general, sales tax should be broadly applied to all final consumer transactions, but not applied to business-to-business transactions.”

**National Taxpayers Union**

**About airport congestion and fees:**

“Recently, a number of airport authorities and city and county government agencies have taken formal and informal steps – from litigation to cease-and-desist orders — to require P2P car rental companies to comply with state and local tax laws and policies for companies that rent cars at airports.”

**American Car Rental Association (ACRA) Peer-to-Peer Car Rental Timeline**

"Thankfully, there’s a straightforward policy solution to the problem of uneven or ambiguous airport access rules and fees: Airport authorities can work to balance the competing interests of new and traditional companies by adopting an open posture toward new types of rental firms and ensuring that the fees and rules for each firm seeking to access airport property are consistent and equitable.”

**R Street Institute: “Better Managed Airport Car Rental Access Could Ease Holiday Travel”**
“The goal should be to adopt an open posture for new market entrants, while at the same time requiring that all transportation companies who seek to access airport property and serve travelers are subject to the same transparent rules and fees.”

R Street Institute: “R Sheet on Airport Rental Car Access”

“….App-based car rental companies such as Turo insist on operating on airport premises without paying concession fees, even though their businesses directly contribute to airport congestion and resulting expenses.”

Taxpayers Protection Alliance

“They advertise SFO service and then turn around and say they don’t operate at the airport. Turo’s goal in these tactics is simply to avoid their share of the fees their competitors pay.”

City of San Francisco

“Since Turo is sidestepping regulations that impact all other airport rental car companies, the city of San Francisco has filed a lawsuit to make it pay airport fees that help pay for critical infrastructure and to comply with prohibitions against curbside rental car drop offs that worsen congestion.”

California Business Roundtable

“You do not get to flaunt the rules simply because you do not think that they should apply to you.”

Greater Orlando Aviation Authority

“It is a rental car business and it is something that is being operated on the corporate level for profit. It’s not just this benign sharing of a single vehicle.”

39th Annual Pennsylvania Aviation Conference (Kaplan Kirsch & Rockwell)

About consumer protection:

“As peer-to-peer businesses grow, our role is to make sure we have fair rules and regulations in place to ensure customer safety, compliance with Oklahoma laws and a fair marketplace.”

Rep. Lonnie Sims (R-68), Oklahoma

“…the canons of statutory construction require that the terms of such remedial statutes be read broadly, so that consumers will benefit from these protections regardless of whether they happen to rent a car on Turo’s website or on, say, Avis’s website.”

City and County of San Francisco

“Because peer-to-peer operators are entering into commercial car rental transactions, they must be held to the same consumer protection standards as any other car rental or car-sharing service.”

National Consumers League
“This legislation is a common-sense solution for how we define and regulate rental car operations in Pennsylvania. It will bring all types of vehicle rental platforms under the same standards to ensure consumer protection, while still allowing the industry to continue to grow and innovate.”

Sen. Pat Stefano (R-32), Pennsylvania

"This Act is intended to govern the intersection of peer-to-peer car services and the state-regulated business of insurance. Nothing in this Act shall be construed to extend beyond insurance or have any implications for other provisions of the code of this state, including but not limited to, those related to motor vehicle regulation, airport regulation, or taxation."

National Conference of Insurance Legislators

as of March 5, 2020