

THE LIFECYCLE OF CAR OWNERSHIP IN MARYLAND



PERSONAL CAR OWNER

annual income of \$48,150ⁱ

Car purchased at retail rate
(car retail value of \$37,185)¹

\$37,185

Sales tax paid on car purchase³

\$2,231

Vehicle registration and titling costs⁵

\$318

Average length of car ownership⁷

88.8 months

Total vehicle registration and
titling costs (estimate for 7.4 years)

\$958

Sale price of car when sold at
depreciated retail value⁹

\$10,080

**TOTAL COST OF
CAR OWNERSHIP**

\$30,294



RENTAL CAR COMPANY

\$31.9 billion in revenueⁱⁱ

Car purchased at wholesale rate
(car retail value of \$37,185)²

\$22,311

Sales tax paid on car purchase⁴

\$0

Vehicle registration and titling costs⁶

\$0

Average length of car ownership⁸

13 months

Total vehicle registration
and titling costs (13 months)

\$0

Sale price of car when sold at
depreciated retail value¹⁰

\$27,888

**TOTAL COST OF
CAR OWNERSHIP**

\$0

\$5,577
in profit
from car ownership
(plus rental income and corporate
tax breaks)

- i. Mean income per capita for 2017 is \$48,150.. <https://www.thebalance.com/what-is-average-income-in-usa-family-household-history-3306189>
 - ii. Rental car companies reported \$31.9B in global revenue in 2019.
<http://digital.autorentalnews.com/factbook2020#&pageSet=5>
 - 1. Average cost of a vehicle is \$37,185. Source: <https://prn.to/2DOe6Pw>
 - 2. Average wholesale savings is 40 to 60%. Source: <https://cars.lovetoknow.com/buying-cars-wholesale>
 - 3. Maryland state sales tax is 6%. Source: <https://www.salestaxhandbook.com/maryland/sales-tax-vehicles>
 - 4. Rental car companies do not pay sales tax on vehicle purchases. Source: <https://netchoice.org/wp-content/uploads/netchoice-policy-note-v10.pdf>
 - 5. Maryland average vehicle registration and titling costs. Source: <https://www.compare.com/auto-insurance/coverage/vehicle-costs>
 - 6. Rental car companies pass all vehicle registration and titling fees onto their customers. Source: <https://www.wired.com/2014/12/silly-fees-rental-car-blame-local-politicians/>
 - 7. Average length of personal car ownership is 7.4 years. Source: <https://www.sfgate.com/cars/slideshow/Length-of-ownership-for-most-popular-cars-183975.php>
 - 8. Average length of rental car vehicle ownership is 13 months. Source: <https://www.fool.com/investing/general/2012/07/13/surprising-facts-about-the-rental-car-industry.aspx>
 - 9. Average retail price of \$37,185 car after 7.4 years is \$10,080. Source: <https://goodcalculators.com/car-depreciation-calculator/>
 - 10. Average retail price of \$37,185 car after 13 months is \$27,888. Source: <https://goodcalculators.com/car-depreciation-calculator/>
- Total Cost of Car Ownership calculation: car purchase price plus sales tax paid plus vehicle registration and titling costs multiplied by years of ownership minus depreciated sale price.