



March 2, 2021

Chairman Anne Kaiser  
Maryland General Assembly  
House Ways and Means Committee  
131 House Office Building  
Annapolis, Maryland 21401

Re: House Bill 1209 - Sales and Use Tax - Peer-to-Peer Car Sharing – Alterations

Dear Chairman Kaiser, Delegate Luedtke and Committee Members,

Avail is a peer-to-peer car sharing company that is backed by Allstate. Car sharing allows Maryland car owners to share their cars with drivers in need of convenient, affordable transit options while also allowing car owners to earn extra income by sharing their vehicle. This extra source of income is especially critical today as it allows car owners to utilize an asset that for many has been sitting in their driveway for months as we endure the lasting impact of the COVID-19 pandemic. Car sharing also gives Marylanders a new solution to longstanding mobility needs, including offering transportation where public transit and other alternatives are not an option.

We write today in opposition to House Bill 1209 (HB1209) which while attempting to recognize the need to tax peer-to-peer car sharing differently than traditional rentals would codify an unlevel playing field to the detriment of the car sharing industry. HB1209 would gradually raise that sales and use tax on peer-to-peer car sharing to 9.75% with owners of five or more vehicles on a platform paying 11.5% - the same rate as traditional car rentals. While the 9.75% rate is on its surface lower than what rental car companies pay it does not factor in the additional sale tax paid on the front end when purchasing a vehicle – a tax rental car companies are exempt from and save them over \$75 million annually in Maryland alone. Additionally, when you add in personal vehicle registration, titling and licensing fees peer-to-peer car sharers quickly exceed the rates paid by the rental car companies.

Peer-to-peer car sharing should enjoy an equitable tax treatment that encourages individuals to utilize their vehicles for passive income while providing competition in the market for individuals in need of temporary transportation. We are encouraged by the interest in addressing these critical issues and are appreciative of the General Assembly's continued attention on promoting an innovative transportation industry.

Thank you for considering our comments and we look forward to working with the committee and the General Assembly through the legislative process.

Sincerely,

*Jon Van Arsdell*

Jon Van Arsdell  
Head of Government Relations  
Avail

cc: Nick Manis, Manis Canning & Associates  
Tinna Quigley, Allstate