



February 18, 2020

Hon. Ann Cummings, Chair
Senate Committee on Finance
Vermont State Capitol
115 State Street
Montpelier, VT 05633

RE: Peer-to-Peer Car Sharing

Dear Chairman Cummings:

On behalf of the Alliance for Automotive Innovation (Auto Innovators), thank you for the opportunity to express our views on the Committee's recent discussions relative to peer-to-peer car sharing in Vermont. Formed in 2020, the Alliance for Automotive Innovation is the singular, authoritative, and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation now represents automakers producing nearly 99 percent of cars and light trucks sold in the U.S., tier-one original equipment suppliers, as well as technology and other automotive-related companies.

Peer-to-peer car sharing programs provide vehicle owners an opportunity to maximize their investment in their vehicle purchase. The reality is that most automobiles are only operated for a small portion of a day or week, frequently sitting unused for vast amounts of time. By making one's vehicle available on a car sharing platform, your constituents are able to create an alternate revenue stream, without incurring additional costs.

Additionally, peer-to-peer car sharing programs can offer your constituents convenient and economical transportation options, especially for those whose vehicle needs are intermittent or so varied by task that purchasing a particular vehicle cannot be justified. Moreover, peer-to-peer car sharing platforms can also be useful in underserved communities where public transportation or rental car options are not financially or commercially justified.

Auto Innovators encourages policymakers to resist being too proscriptive or prescriptive of emerging technologies and mobility efforts, like peer-to-peer programs, and instead approach the debate with a light touch when defining the scope of regulation, so as not to stifle innovation or limit options for citizens.

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We have serious concerns about any proposal to tax a car sharing platform in the same manner as a rental car company, which would unfairly treat this emerging mobility option and unfairly penalize Vermont residents that seek to use such programs.

Rental car companies already benefit from favorable tax treatment under Vermont law. A rental car company is exempt from paying the sales tax on the purchase of the vehicle, which is a 6% savings on the cost of the vehicle. They are also able to amortize their vehicle purchases over a number of years.

Your constituents that seek to make use of a peer-to-peer car sharing platform, on the other hand, receive no such special treatment. They pay the sales tax when purchasing a vehicle and they pay income tax on any monies earned via the car sharing platform. Adding a tax like the rental car use tax to the peer-to-peer model is nothing more than an attempt to stifle the emergence of a new, consumer-friendly vehicle-use model.

Transportation-as-a-service is a new concept, but it is one that has the potential to drive dramatic change in the marketplace. New mobility options should not be unjustly penalized before they are given a chance to find root. Instead, state policy should encourage the growth of consumer-focused changes in the marketplace.

Thank you in advance for your consideration of our views. If I can answer any questions or provide any further information, please do not hesitate to contact me at 202-326-5550 or wweikel@autosinnovate.org.

Respectfully submitted,



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Senior Director, Alliance for Automotive Innovation