

Trent Gifford
Independent Car Rental & P2P Association
LD 1602
April 22, 2025

Hello, Maine State, Representatives and Senators.

On behalf of the Independent Car Rental Association (ICRA), representing both the Peer-to-Peer (P2P) car sharing and small rental car businesses across the Nation and State of Maine, I write to express our strong opposition to LD 1602. While I understand that the bill may have been portrayed by proponents as closing a “loophole”, the bill uses an incorrect premise to alter a fundamental principle of tax policy that allows these small businesses to function and compete equally with one another.

For both P2P Hosts (under any P2P platform) and private/small rental businesses, it is a settled policy nationwide that sales and rental taxes should be collected on each rental transaction and that sales tax should be collected when a rental company sells a vehicle. Rental car companies and many P2P Hosts do not drive the vehicles they own as rental assets (customers do) and, like many other businesses, must get a “reseller” permit from the State of Maine to purchase cars for resale.

To put this into perspective for you, there are many P2P Hosts in Maine with multiple sharing vehicles (not just a single person or family renting one vehicle), with many of these having over 6 vehicles and have reported hundreds to even thousands of trips (rentals). Many small Private Rental companies also with even more vehicles and rentals within your state. These business owners have likely not been told by their P2P platform provider to utilize this certificate of exemption/resellers permit, but their accountants do instruct them to utilize these permits, and they do.

Please understand that the ICRA represents nearly 1700 members globally in which 92% are in the US. However, we do not have every P2P host or private rental company as a member from your state, but we work hard to protect all who work in our industry on both sides of the car rental marketplace (P2P and Private Rental). Our goal is to maintain a sustainable future for both sides of our industry which include both P2P and Private Rental.

Unfortunately, a peer-to-peer car rental platform has been pushing and supporting like bills across the country which will only harm Maine and all P2P Hosts that use their platform to rent out their vehicles. These P2P platform companies do not own any vehicles for rent, so the passing of any bill or repeal like this only helps them create an uneven playing field with their competition, the big rental car companies. I believe this is their motivation in supporting any bill or repeal like this, to create this unfair competitive advantage in your marketplace and other states who may also decide to do the same. But the ICRA supports both P2P Hosts and the smaller private rental companies in your state as our members and we understand the benefits to the state regarding increased sales tax revenue, but we also see the motivation by any P2P platform company who supports or pushes such a legislative act to create an uneven playing field at the total expense of their own Hosts and the rental car companies as well as future renters .

As mentioned, those small businesses (both larger P2P Hosts and small private rental companies) have reseller permits and purchase their fleet for vehicles for resale. LD 1602 does NOT create parity between these P2P Host companies and private rental companies. It simply creates an uneven competitive advantage for P2P “platform” companies who offer their services to their Hosts but never actually “own” any of

these assets being rented. It would change a fundamental principle of tax policy under the misperception that it is closing a “loophole” while only creating an unfair playing field and competitive advantage for the P2P platform companies.

It is confusing why any P2P platform company might push such legislation that harms their own P2P Hosts also called All-Star and Power Hosts. These Hosts will be harmed by this bill just as much as the small private rental companies equally, and your state has many of these Hosts. The only thing I can think of is the creation of an uneven marketplace even if it is at the expense of their Hosts.

For all the above reasons, we must respectfully oppose LD 1602 and would welcome an opportunity to discuss appropriate ways to support these Maine small businesses and increasing revenue for the State while not creating any uneven market or supporting any agenda that helps one side against the other. This is not the intent of any business or trade association who supports both sides of this very fragile market which is commonly targeted whenever new revenues through taxation are on the agenda.

Another area you may want to consider is the impact this bill or repeal would have on the cost of vehicle rentals in your state. On the P2P side you would not see a significant increase in rental prices again because the P2P platform companies do not incur this increase in taxation. But the larger P2P Hosts and all private rental companies will be forced to push these costs onto the clients. This will have a negative impact on travel, tourism, and convention business to your state. We also feel that it would push many more and larger P2P Hosts out of P2P car sharing altogether as they will incur the full cost of these added sales taxes on future vehicles being purchased for their fleets.

I submit this as written testimony in opposition to LD 1602.

If you would like to contact me, please feel free to reach out as my contact information is below.

Thank you.

Respectfully,

Trent Gifford - CEO, Independent Car Rental & P2P Association