



NATIONAL CONSUMERS LEAGUE

1701 K Street, NW, Suite 1200 Washington, DC 20006

Main: (202) 835-3323 Fax: (202) 835-0747 www.nclnet.org

May 6, 2025

Senator Nicole Grohoski, Chair
Joint Committee on Taxation
100 State House Station
Augusta, ME 04333

Representative Kristen Cloutier, Chair
Joint Committee on Taxation
100 State House Station
Augusta, ME 04333

Dear Senator Grohoski and Representative Cloutier:

On behalf of the National Consumers League (NCL), I offer this letter in opposition to LD 1807 which would raise the current sales tax on all car rental transactions in Maine to 15% from 10%. This 50% tax increase will hit Maine consumers, not just tourists. Additionally, if passed, the 15% tax would be one of the highest – if not the highest – single car rental tax in the country.

The National Consumers League (NCL) is America's oldest consumer advocacy organization, dedicated to protecting and promoting social and economic justice for consumers and workers since 1899.

NCL has long been concerned about unfair taxes placed on rental car customers. There is a common misperception that taxes on car rental transactions are only paid by visitors to the state and in this case, the tax increase proposal goes along with tax increases on luxury services. Intentional or not, renting a car for many is not a luxury.

Contrary to popular belief, a substantial part of any proposed local tax on rental car customers is often paid by local residents. There are at least 20 rental locations away from any airport in the state. Who rents from these locations? In-state consumers do. One area car rental company estimates that 65-70% of its customers are local residents. Many of these consumers simply can't afford to own a vehicle, so they rent one to tend to personal demands, eg, a visit to a parent in a nursing home, a grocery or other shopping task, taking a child to see a doctor. Other consumers have been in car accidents and need a replacement vehicle. Many consumers need a newer vehicle to finally take that vacation they have been saving for. In short, Maine consumers of modest means rent cars every day, every week, every year...and do so out of need, not luxury, and they deserve fair treatment and not to be asked to foot a large additional tax burden.

NCL opposes LD 1807 for all of the reasons stated above, and respectfully asks that this legislation not move forward. If you or any committee member would like to discuss this matter further, please feel free to reach out to me. I sincerely appreciate the opportunity to share our views.

Sincerely,

A handwritten signature in black ink that reads "Sally Greenberg". The signature is fluid and cursive, with the first name "Sally" and last name "Greenberg" clearly distinguishable.

Sally Greenberg
CEO
National Consumers League