

Danielle Moody
On behalf of Moody's Coworker Owned, Inc.
President
207.839.2500

May 5, 2025

Subject: Opposition to Bill 1807 – Rental Vehicle Tax Increase

Dear Charles Skold,

On behalf of Moody's Coworker Owned, a Maine-based, coworker-owned collision repair company serving 12 communities across the state, I am writing to express our strong opposition to Bill 1807, which proposes a 50% increase in the sales tax on rental vehicles. This increase would raise Maine's rental car tax rate to among the highest in the nation, placing an undue burden on our customers.

In our experience, more than half of the customers we serve do not have access to alternative transportation while their vehicles are being repaired. Many insurance policies only cover a portion of rental coverage or have a limit on the policy making the cost of a rental car an out-of-pocket expense. Increasing the tax on these rentals will only exacerbate the financial strain these individuals already face—particularly when coupled with high insurance deductibles and repair delays in parts procurement due to current market conditions.

It's important to note that approximately 60% of Enterprise rental transactions in Maine are made by residents with Maine driver's licenses, underscoring the local impact of this proposal. Furthermore, insurance coverage limits for rentals are often quickly exhausted, leaving consumers to bear the additional cost themselves.

Bill 1807 will disproportionately affect vulnerable Mainers, including many of our customers who live on fixed incomes such as Social Security and cannot absorb additional expenses. As a business committed to serving our community, we are concerned about the consequences this legislation will have on those we serve.

We respectfully urge you to reconsider this proposal and its potential to negatively impact working families, seniors, and the overall affordability of vehicle repairs in Maine.

Sincerely,
Danielle Moody
Moody's Coworker Owned, Inc.