



Testimony of  
Laura Manno – Senior Director of Government Relations  
Turo Inc., San Francisco, CA  
**Comments on HB2062(Support)**  
March 1, 2023

Chairman Smith, Vice Chair Bergkamp, Ranking Member Sawyer, and members of the committee:

On behalf of Turo’s community of hosts and guests in Kansas, I respectfully offer my **SUPPORT** for **HB2062** and appreciate your consideration of this measure.

As the largest peer-to-peer car sharing marketplace, Turo provides the opportunity for car owners (“hosts”) to share their cars with neighbors and travelers alike. Hosts earn a little extra income to offset the high costs of car ownership, or lessen the burden of credit card debt, student loans, or medical bills. Guests, who are also often local, enjoy the opportunity to choose an exact make, model, and price point to suit their specific needs or take them on their next adventure.

At its core, HB 2062 is a bill of fairness and sound tax policy. This measure would eliminate the excise tax for those renting vehicles in Kansas and reinstate the property tax on vehicles purchased by rental car companies, as is already required of all others who purchase vehicles in Kansas, including peer-to-peer car sharing hosts like those who list their vehicles on Turo.

In 1991, an exchange was created in statute through SB 14 where rental car companies would no longer be required to pay the vehicle property tax in exchange for an excise tax on rental receipts. The goal at the time was to recoup the loss from the property tax exemption through the excise tax. That, however, has not been the result of this legislative exchange. Instead, Kansas generates \$3.7 million annually in revenue from the rental car excise tax, but loses an estimated \$20.7 million in revenue from the property tax exemption. According to the Kansas Legislative Research Department, the property tax makes up more than half of the tax receipts for counties, school districts, cities, and townships in Kansas and those entities would benefit greatly from the restoration of their tax base.

Additionally, excise taxes are not sound tax policy as has been argued by rental car companies themselves. According to the Tax Foundation (2019), excise taxes narrowly target one industry in hopes of capturing nonresidents with taxes. However, a 2010 study by The Brattle Group (at the request of Enterprise Rent-a-Car) showed that more revenue is generated by neighborhood locations rather than at airports indicating that a majority of renters are local. Not only do these excise taxes impact locals, they disproportionately affect lower income households and the

rental car companies themselves. In that same study it was estimated that the removal of rental car excise taxes would have increased demand at Enterprise by 3.9% in 2008 and that these excise taxes cause the loss of about 22,000 new vehicle sales into the Enterprise fleet each year.

Currently, Kansas residents can cross the border into Missouri to get a rental car without paying an excise tax. Should HB 2062 become law, those Kansans could get a rental car right here without burdensome taxes.

When Kansans, including those who share their cars on peer-to-peer car sharing platforms like Turo purchase their vehicles, they are required to pay this very same property tax. This measure simply reverses a policy that no longer works for Kansas and restores fairness while lowering taxes for consumers.