

Written Testimony

Before the Ohio State Senate

Transportation, Commerce, and Workforce Committee

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By

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Good morning Mister Chair and members of the committee. Thank you for the opportunity to speak with you this morning. My name is Michael Filomena with Enterprise Holdings and I am here to testify in favor of House Bill 62 and the provisions that pertain to peer-to-peer car sharing.

Enterprise Holdings is a privately held, family owned company based in St. Louis, Mo. The brands in our portfolio include Enterprise, National, and Alamo Rent-a-Car. We also have divisions that operate truck rental, car sales, ride-share, and fleet management. We have been in business for sixty-two years, including twenty-eight years, here in the state of Ohio. We operate over 200 home city Enterprise locations throughout the state, as well as locations at all the major airports. We employ 3,500 Ohioan's and have over 40,000 vehicles in our fleet. We hire locally, buy locally, and give generously back to our communities. We contribute greatly to the economic footprint of all the communities we serve throughout Ohio. As a result, we pay over \$30 million dollars in taxes to the state on an annual basis. We are truly invested in the State of Ohio!

I am here this morning to strongly endorse the language in House Bill 62 as it pertains to the peer-to-peer carsharing marketplace. Peer-to-Peer carsharing companies are organizations that act as a vendor and connect a car owner with a consumer who is looking to rent a vehicle. In most cases, this is an individual who is renting their personal car, or it can be a company that has multiple vehicles they've made available for rent on their platform. These rental transactions happen throughout our state, most often in or around our major airports. The brands in the peer-to-peer carsharing space include, Get-around, Maven, and Turo.

It is clear, that the provision of cars in peer-to-peer transactions is currently subject to Ohio sales tax. The Ohio Department of Taxation consistently reaches this result. This new house bill merely makes clear that the companies creating the peer-to-peer relationships through their websites and phone applications are the vendors of this service for purposes of Ohio Revised Code 5739.01(C). This bill would clearly state that the e-commerce companies should be collecting and remitting the sales tax on the transactions. We have met with the Ohio Department of Taxation and they acknowledge that these peer-to-peer carsharing companies are and always have been vendors, and thus should already be

collecting and remitting sales tax. The language in House Bill 62 simply clarifies this. Therefore, this is in no-way a “new” tax. The Ohio sales tax always has applied, and will continue to apply, to these transactions. This bill just makes it clear that the carsharing companies are vendors under Section 5739.01(C).

Secondly, this bill deals with how a peer to peer carsharing company operates at an airport. Today, these companies will pre-arrange a pick up and/or drop off on or around airport property. In some instances, they will do the transaction at the curbside of an airport or they will have the consumer meet them at the consolidated rental car facility or in the car rental garage. Either way, it is our opinion that they are now acting as a car-rental company and should be subjected to the rules and regulations set forth by the specific airport where the commerce is being conducted.

House Bill 62 provides language that clarifies how airports can manage peer-to-peer carsharing programs throughout Ohio. It states, that the operator of a public-use airport “shall adopt reasonable standards, regulations, procedures, fees, and enter into such agreements, including concession agreements, that are applicable to peer-to-peer carsharing programs as determined by the airport. A peer to peer car sharing program, vehicle owner and vehicle driver shall comply with any applicable standards, regulations, procedures, fees and agreements adopted by a public-use airport and shall pay any applicable fees in a timely manner”. This language has been endorsed by John Glenn International airport here in Columbus and allows them, as well as any other airport here in Ohio, the ability to manage the peer to peer carsharing companies through agreements specific to their operation.

To summarize, we feel that peer-to-peer carsharing companies operate and behave just like other car rental companies that have been serving this state for many years and as such, are responsible to collect and remit sales tax. The language in House Bill 62 simply clarifies what has already been addressed by the Ohio Department of Tax, that these companies are vendors and thus are responsible for collection and remittance of taxes. It further defines how these companies should operate at airports throughout Ohio and that they are subjected to reasonable standards, regulations, and fees specific to the operator of a public use airport.

It is for these reasons, that we strongly endorse House Bill 62 and its language pertaining to peer-to-peer carsharing companies.

Regards,

Michael Filomena