

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Friday, February 16, 2018

**TIME:** 9:00 A.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Collins, Acting Vice Chairman Kauffman, Representatives Moyle, Raybould, Anderst, Dayley, Hartgen, Chaney, Nate (King), Thompson, Gestrin, Stevenson, Troy, Gibbs, Erpelding, Gannon

**ABSENT/  
EXCUSED:** Representative(s) Gibbs

**GUESTS:** Michelle Peacock, Turo; Sara Bettwieger, Turo; Brody Aston, Enterprise; Brian Church, Enterprise/ ACRA; Mandy Murphy, Enterprise Rent-A-Car; Ben Davenport, IMA.

**Chairman Collins** called the meeting to order at 9:01 a.m.

**MOTION:** **Rep. Dayley** made a motion to approve the minutes of the meeting held on February 14, 2018. **Motion carried by voice vote.**

**H 517:** Relating to motor vehicle rental marketplaces, **Brody Aston**, Enterprise/Westerberg and Associates, explained this legislation protects the private property rights of Idaho vehicle owners ensuring the right to rent their vehicle is maintained, clarifies taxes due on vehicle rental income and subjects vehicle rental marketplaces contracting with Idaho vehicle owners to collect and remit all applicable taxes to state and local governments.

In response to committee questions related to shared economy **Brody Aston** explained this legislation is industry specific to the motor vehicle and recreational vehicle rental marketplace only. Mr. Aston stated the emergence of new technology supporting shared economy rentals may require expanded consideration for the variety of items property owners offer for rent.

In response to committee questions related to insurance liability and collection of tax dollars payable to the state tax commission **Brody Aston** explained vehicle rental marketplace platforms would act as intermediary collecting tax dollars, insurance and fees at the point of sale. The intermediary disperses applicable taxes to the state tax commission, state and local governments, the insurer and the property owner. Mr. Aston also stated the legislation does not address issues related to taxes due by the intermediary on income generated from the fees collected for providing the intermediary service.

**Michelle Peacock**, explained Turo's business model is a market place platform connecting vehicle owners with individuals desiring vehicles to rent. In Idaho, Turo has approximately one hundred vehicle owners offering vehicles to approximately six thousand potential vehicle renters. Turo's platform offers insurance options to vehicle owner's and vehicle renters covering potential accidents. Ms. Peacock explained Turo does not collect tax in Idaho because the company does not have a physical location in the State. Additionally, Ms. Peacock explained Turo does not collect taxes in any of the jurisdictions in which they operate, they are not tax professionals and therefore can not provide tax advice and the investment in tax collection software would be too costly. All tax responsibility and obligations rest with vehicle owner and rental customer. Ms. Peacock feels Enterprise Rental Car has introduced this legislation to prevent growth of the Turo platform and stated Turo is vigorously opposed to this legislation.

**Brian Church**, Enterprise Rental Car stated the objective of the legislation is to insure, that as technology progresses allowing individuals to rent out their vehicles, the participants in the vehicle rental industry operate under the same provisions of collecting and remitting taxes due to the state tax commission. Low costs associated with private rental programs should not deprive the state of tax revenue. In response to committee questions Mr. Church explained, Enterprise Rental Car is a licensed dealer that follows all code related to taxes when purchasing vehicles, they encourage renters of vehicles to become licensed in order to receive all tax benefits and exclusions.

In response to committee questions **Brody Aston** stated sales tax on vehicle purchased by Enterprise Rental Car comply with Idaho tax law, vehicles purchased by Enterprise are specifically for rental purposes and do not include personal use, and that an industry with one thousand vehicles available for rent should be capable of figuring out how to pay out tax for service.

**MOTION:** **Rep. Thompson** made a motion to send **H 517** to the floor with a **DO PASS** recommendation.

**MOTION:** **Rep. Erpelding** made a motion to hold **H 517** for time certain, February 19, 2018.  
**Motion carried by roll call vote.**

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Representative Collins  
Chair

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Karen Westen  
Secretary