



TECHNET
THE VOICE OF THE
INNOVATION ECONOMY

February 12, 2020

Del. Anne Kaiser, Chair
House Ways and Means Committee
House Office Building, Room 131
6 Bladen St., Annapolis, MD 21401

Re: HB 386- Transportation Network Service

Dear Chair Kaiser and members of the Committee-

TechNet is the national, bipartisan network of over 80 technology companies that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50 state level. TechNet's diverse membership includes dynamic American businesses ranging from startups to the most iconic companies on the planet and represents more than three million employees in the fields of information technology, e-commerce, clean energy, telecommunications, gig economy, sharing economy, venture capital, and finance.

TechNet respectfully submits comments in opposition to HB 386 (Lewis) which imposes the sales and use tax on the sale of certain transportation network services (TNS). In just a few years of operations, TNSs have increased regional mobility and provided meaningful earning opportunities to thousands of drivers who need supplemental and flexible income opportunities. Ridesharing also gives consumers a safe, affordable, and reliable transportation choice.

TechNet believes this legislation is unnecessary because there already is a fee structure in place as negotiated by the 2016 amendments to our enabling statute. Six municipalities already have voted and have been collecting fees on Ridesharing services. Baltimore City has a bill pending to make it the 7th.

HB 386 would subject rideshare trips to a percentage based tax. If enacted, this could impact municipal access to funds if rideshare trips decrease due to higher cost to passengers. More importantly, the percentage based rides could have a disproportionate impact on people who can least afford it -- the longer the ride, the more expensive it would be. In a place like Baltimore City, where ridesharing can be a complement to public transit, this could have an impact. Plus, the bill singles out the ridesharing community without any recognition of parity across transportation services.

Marylanders deserve to have equitable access to affordable and reliable transportation options like ridesharing. We strongly urge the Committee to not advance HB 386. Thank you in advance for your consideration on these matters, and please do not hesitate to reach out with any questions.

Sincerely,



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