



185 Berry Street
Suite 5000
San Francisco, CA 94107

February 11, 2020

Ways and Means Committee
Room 131
House Office Building
Annapolis, MD 21401

Oppose: Maryland HB 386: Sales and Use Tax – Transportation Network Services – Application and Rates

Dear Chairperson Kaiser, Vice Chair Washington, and Members of the Committee:

Lyft is proud to serve as a partner in bringing communities across Maryland closer together. We remain committed to having a lasting and positive impact throughout the state. However, we have serious concerns with HB 386, which subjects rideshare trips to a new percentage-based tax.

In 2015, Lyft was pleased to partner with the full legislature to pass a comprehensive law regulating Transportation Network Services (TNSs) and bring rideshare to Maryland. This uniform set of statewide rules for TNSs in Maryland helps keep rides reliable, creates economic opportunities for drivers, and expands access to transportation options. Further, the law includes a negotiated fee structure that benefits municipalities in Maryland; any jurisdiction has the power, at any time, to enact a fee on rideshare services to be deposited into its general fund for transportation purposes.

HB 386 singles out the rideshare community without any parity across other transportation services. If enacted, HB 386 could increase rideshare prices, which would lead to fewer rides, and in turn, reduce income for municipalities. Additionally, the proposed percentage-based fee on rideshare trips could have a disproportionate impact on people who can least afford it - the longer the ride, the more costly it would be for the rider. More than half of our rides in Maryland originate in low-income neighborhoods, which are furthest from other transportation options. These riders, who rely on ridesharing to reach their jobs, doctor appointments, or the grocery store, will be the most impacted by the proposed fees under HB 386.

Marylanders use the Lyft platform to make supplemental income. Our driver community is comprised of parents, veterans, students, and retirees, providing rides in the same car they use to



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drive their friends or family. They are providing rides in their own communities, to their neighbors. The proposed fees under HB 386 will result in higher costs for passengers, and lead to fewer trips and lower earnings for Maryland rideshare drivers.

We are proud of the progress we've made in Maryland and remain committed to working together to bring economic opportunity and ensure transportation for all. Lyft appreciates your leadership in the state of Maryland concerning the rideshare community, and we look forward to partnering with your offices, as well as other policymakers, to serve as a resource moving forward.

For reasons illustrated above and more, Lyft is opposed to HB 386.

Sincerely,

A handwritten signature in black ink, appearing to read "Funsho Owolabi", written over a horizontal line.

Funsho Owolabi
Director, Public Policy
Lyft, Inc
funsho@lyft.com

Cc: Delegate Lewis