



February 17, 2021

The Honorable Guy Guzzone
Chair, Senate Budget and Taxation Committee
3 West
Miller Senate Office Building
Annapolis, Maryland 21401

RE: SB 688 - Sales and Use and Vehicle Excise Taxes – Peer-to-Peer Car Sharing and Short-Term Vehicle Rentals – Alterations and Distribution - Support

Dear Chair Guzzone and Members of the Committee,

Thank you for the opportunity to provide our perspective on SB 688 and to express our support for this legislation.

Getaround is a connected and contactless car sharing marketplace. We use technology – a device called the Getaround Connect® installed in the car and a smartphone app – to connect safe, convenient, and affordable cars with people who need them to live and work – without ever having to coordinate schedules to meet in person and hand over keys. Though we currently do not operate in Maryland, we certainly would like to in the future.

On average, cars sit unused 22 hours a day – and that was before the pandemic. Car sharing – including through Getaround’s car sharing platform – helps citizens earn extra money by allowing them to share their idle cars with members of their community. The extra money means a lot, especially in times like these.

Community members who choose to not own a car, cannot afford one, or need access to a different type of car than the one they own also benefit by getting on-demand access, by the hour or day, to convenient and affordable on-demand vehicles for trips where a car is the best option.

Car sharing also has environmental benefits. Studies show that sharing one car can take up to ten other cars off the road, which means fewer accidents, reduced traffic, and less space needed for roads and garages. The availability of shared vehicles can motivate car owners to use a wider range of mobility options rather than simply using their personal car for every trip. Car sharing enables some owners to give up their cars altogether. Car sharing can reduce household emissions by up to 40%.

In 2018 the Maryland Legislature passed comprehensive legislation establishing a regulatory framework for car sharing. As part of this effort, the legislature imposed a tax rate of 8% on peer-to-peer car sharing transactions. This rate is higher than the 6% state sales tax, but lower than the 11.5% tax on traditional rental car transactions. The difference in tax rate was an effort to create

parity due to the fact that traditional rental car companies are exempted from paying sales tax on the purchase of their vehicles. This is a privilege ordinary Maryland citizens who share their vehicles do not enjoy. With this tax structure set to expire this summer, Maryland has another opportunity to work towards creating parity between traditional rental car companies and peer-to-peer car sharing platforms.

SB 688 implements the same sales tax rate of 8% on both traditional rental car and peer-to-peer car sharing transactions. Further, the bill amends existing law to remove the exemption from paying sales tax on the purchase of vehicles that traditional car rental companies benefit from.

Achieving this parity will result in an estimated \$50 million in additional annual revenue for the state. SB 688 directs this additional funding to Maryland's 4 Historically Black Colleges and Universities in order to help these critically important institutions continue to work towards leveling their own playing field.

We appreciate the Legislature's interest in this issue and urge the Committee to support SB 688.

Best regards,

A handwritten signature in cursive script, appearing to read "Gaston Kelly".

Gaston Kelly
Public Policy Manager
Getaround, Inc.
gaston.kelly@getaround.com