February 18, 2021

The Honorable Anne Kaiser, Chair
House Ways and Means Committee
131 House Office Building
Annapolis, Maryland 21401

RE: Support for HB 869

Dear Chair Kaiser:

Internet Association (IA)'s mission is to foster innovation, promote economic growth, and empower people through the free and open internet. The internet creates unprecedented benefits for society, and as the voice of the world's leading internet companies, we ensure stakeholders understand these benefits.

IA strongly supports **HB 869** and urges your committee to issue a favorable report. This bill creates a level playing field between peer-to-peer (P2P) carsharing platforms and the rental car industry by eliminating a lucrative tax loophole for rental car companies and adding P2P carsharing to the tax rolls.

It is important to note that P2P platforms do not own, operate, buy, or sell any vehicles - or fleets of vehicles - in Maryland, and thus do not benefit from the extraordinary tax exemptions that traditional rental car companies enjoy. Current state law exempts rental companies from the 6% sales tax on the purchase of vehicles. **HB 869** would save the state nearly $80 million annually by terminating that exemption.

The adoption of **HB 869** would also allow P2P platforms to contribute to the revenue needs of Maryland, while giving cash-strapped Marylanders experiencing an unprecedented period of economic turmoil the opportunity to supplement their incomes. As many Americans struggle to pay bills, especially car payments, the innovation provided by P2P carsharing creates a necessary lifeline for Maryland vehicle owners during the pandemic.

For these reasons, IA strongly urges a favorable report of this legislation.

Thank you for your consideration on this important issue and I welcome any questions you may have regarding IA's position on this bill. I can be reached at olsen@internetassociation.org or 518-242-7828.

Very truly yours,

John Olsen
Director, SGA Northeast Region

cc: House Ways and Means Committee Members