

## OFFICE OF FISCAL ANALYSIS

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HB-5983

AN ACT CONCERNING THE SALES AND USE TAXES RATES  
APPLICABLE TO PEER-TO-PEER CAR SHARING.

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### ***OFA Fiscal Note***

***State Impact:*** See Below

***Municipal Impact:*** None

### ***Explanation***

The bill results in a net annual revenue gain of \$900,000 to the state beginning in FY 26 by establishing a 9.35% rental car sales tax rate to peer-to-peer (P2P) car sharing services.

The bill transfers all revenues collected from this tax to the Regional Planning Incentive Account (RPIA) for a total revenue gain of \$2.8 million annually to that account.<sup>1</sup> Currently, P2P car sharing companies collect the 6.35% sales tax rate and the collections on that tax rate are shared between the General Fund, the Special Transportation Fund, and the Municipal Revenue Sharing Fund, all of which will see a revenue loss under the bill totaling \$1.9 million.

The table below shows a comparison of the annual revenue collections by fund compared to the tax rate and distribution of collections under this bill.

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<sup>1</sup> The Regional Planning Incentive Account is a non-appropriated account that is administered by the Office of Policy and Management (OPM). Current law directs OPM to use funds first for annual Regional Services Grants to Councils of Governments, next to fund grants supporting regional election advisors, and lastly for Regional Performance Incentive Program grants.

**Annualized Revenue Impact of HB 5983 by Fund**

<b>By Fund</b>	<b>Current law</b>	<b>HB 5983 Net Impact</b>
General Fund	1,600,000	(1,600,000)
Special Transportation Fund	150,000	(150,000)
Municipal Revenue Sharing Fund	150,000	(150,000)
Regional Planning Incentive Account	-	2,800,000
<b>Total Net Impact</b>	<b>1,900,000</b>	<b>900,000</b>

***The Out Years***

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.