

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: HB-5983

AN ACT CONCERNING THE SALES AND USE TAXES RATES APPLICABLE

Title: TO PEER-TO-PEER CAR SHARING.

Vote Date: 4/24/2025

Vote Action: Joint Favorable

PH Date: 3/14/2025

File No.: 856

***Disclaimer:** The following JOINT FAVORABLE Report is prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose.*

SPONSORS OF BILL:

Finance, Revenue, & Bonding Committee

REASONS FOR BILL:

This bill would increase the tax rate on peer-to-peer car sharing services from 6.35% to 9.35%, bringing this service in line with the tax rate on traditional car rental businesses.

RESPONSE FROM ADMINISTRATION/AGENCY:

Mark D. Boughton, Commissioner, Department of Revenue Services

Commissioner Boughton submits testimony referring the committee to review a "guidance" document linked within their testimony to help in addressing the concepts for HB 5983. With this document, the commissioner details how it addresses the application of the sales tax to "peer-to-peer" car sharing.

NATURE AND SOURCES OF SUPPORT:

CT State Representative Jason Rojas, House Majority Leader

Rep. Rojas supports testimony in support of HB 5983 because it would amend Connecticut's sales and use tax regulations to clarify that vehicles rented through peer-to-peer platforms be taxed at the same rate as other vehicle rentals. In standardizing the tax rate for the rental sector, H.B. 5983 establishes consistent tax treatment across all types of vehicle rental arrangements, thereby generating additional tax revenue for the state.

CT State Representative Vincent Candelora, House Minority Leader

Rep. Candelora submits testimony in support of HB 5983 as the current 9.35% tax applied to the traditional car rental market is already far too high. Aligning the rental car transaction tax with the current P2P rate of 6.35% would provide relief to traditional car rental companies.

Stephen Ranieri, Controller for Enterprise Mobility in Connecticut

Supports HB 5983 because it would level the playing field in the rental car business by taxing peer-to-peer car sharing companies at the same rate as traditional car rental businesses.

NATURE AND SOURCES OF OPPOSITION:

Brianna January, Director of State & Local Government Relations, Northeast US

Opposes HB 5983 because it would burden Connecticut residents who use peer-to-peer car sharing services by increasing the existing 6.35% tax to 9.35%.

John Heath, Sr. Manager of Government Relations, and External Affairs

Turo is opposed to HB 5983 because it would increase the peer-to-peer car sharing tax from 6.35% to 9.35%, adding another financial burden to Connecticut residents who use these services while they're already struggling with high costs and high cost of living in the state.

Reported by: Jay Snukis

Date: 5/2/25