



March 26, 2026

The Honorable Joseph J. Solomon, Jr  
Chair, House Corporations Committee  
Rhode Island State House  
82 Smith St,  
Providence, RI 02903

**RE: ACRA Support for H7267 if Amended to Ensure Tax Parity**

Dear Chair Solomon and Members of the Committee,

On behalf of the American Car Rental Association (ACRA), I am writing to provide our perspective on H7267. ACRA is the national voice for the car rental industry, representing over 95% of the small, medium, and large rental car companies across the country, including many operating throughout Rhode Island.

While ACRA supports the intent to provide a clear regulatory framework for peer-to-peer (P2P) car-sharing market, we strongly oppose the language in H7267 that seeks to circumvent existing state tax obligations—specifically the 8% Vehicle Rental Surcharge. Our position is rooted in a simple principle: level the playing field. Businesses offering vehicles for rent in the marketplace should play by the same rules.

As currently drafted, H7267 creates a significant and unfair competitive advantage for P2P platforms by exempting their transactions from the state-mandated surcharge. This is not merely about "casual" car sharing between neighbors. In many markets, we see "commercial hosts" operating fleets of 5, 10, or even 50+ vehicles. These are professional rental operations, yet this bill would allow them to bypass the taxes and regulatory oversight that traditional Rhode Island rental companies must follow.

**ACRA respectfully requests the following considerations:**

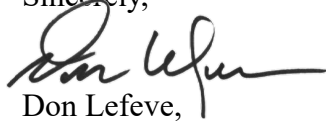
- **Tax Parity:** P2P transactions should be subject to the same 8% surcharge as traditional rentals. Car rental companies function as wholesalers; we collect and remit sales tax on behalf of the customer. Exempting P2P transactions creates a "tax loophole" that drains state revenue and penalizes local businesses.
- **Fleet Regulation:** Any individual or entity "hosting" five or more vehicles should be defined as a rental company under RI General Laws § 31-34.1-1. This ensures that commercial-scale operators are registered with the DMV and held to the same safety and licensing standards as any other rental firm.

- **Department of Revenue Review:** Before granting a blanket tax exemption, this committee should seek a formal fiscal impact analysis from the Department of Revenue to understand the long-term loss of surcharge revenue to the State of Rhode Island.

Rhode Island's rental car companies are vital to the state's economy and tourism infrastructure. We do not ask for special treatment; we simply ask that the state maintains an equal tax policy for all entities engaged in the business of renting motor vehicles.

Thank you for your time and for your consideration of these essential amendments.

Sincerely,

A handwritten signature in black ink, appearing to read "Don Lefevé", with a stylized flourish at the end.

Don Lefevé,  
President & CEO