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March 1, 2023

Kansas House Committee on Taxation

RE: Opposition to HB 2062

Dear Committee Members:

On behalf of the Board of Directors of the American Car Rental Association (ACRA), I submit for your consideration this letter of opposition to HB 2062.

ACRA is the national representative for more than 98% of our nation's car rental industry. ACRA's membership is comprised of more than 300 car rental companies, including all the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Sixt and Thrifty. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller, "mom & pop" operators. ACRA members have almost 2 million registered vehicles in service in the United States, with fleets ranging in size from one million to ten cars.

To put today's bill in historical perspective, the Kansas Legislature enacted this law in 1991, which imposes a 3.5% additional excise tax on all rental car rentals in lieu of property taxes.

Rental vehicles travel all over the country. Therefore, the legislature crafted this excise tax in lieu of property taxes as a seamless and fair way to collect taxes on each rental transaction that occurs in the state regardless of where the car is registered and have those taxes returned to Kansas counties. This process in place has been in place for more than 30 years and works well for our industry and the local counties. Therefore, HB 2062 seems to be a solution in search of a problem.



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I thank you for your consideration and hope that you will oppose HB 2062. If you have any questions or concerns regarding our position, please do not hesitate to contact me at sfaulkner@acraorg.com.

Sincerely,

A handwritten signature in black ink that reads "sharon faulkner". The signature is written in a cursive, lowercase style.

Sharon Faulkner, Executive Director
American Car Rental Association