Resolution Urging Congress to Eliminate Discriminatory State and Local Taxes on Automobile Renters

Summary

This resolution encourages Congress to eliminate discriminatory State and Local Taxes on automobile renters by passing H.R. 2453, the End Discriminatory State Taxes on Automobile Renters Act of 2007 (EDSTAR).

Model Resolution

WHEREAS, since 1976, 42 states and the District of Columbia have enacted more than 100 car rental excise taxes, which are beyond typical sales taxes, resulting in car rental customers paying more than $6 billion since 1990; and

WHEREAS, the National League of Cities in its May 2006 publication of TAXING PROBLEMS: Municipalities and America’s Flawed System of Public Finance recognized this unfair taxing burden on specific economic sectors and among its suggested solutions stated that “Governments should impose equitable and fair revenue burdens on individuals, corporations, communities, sectors, income classes and generations”; and

WHEREAS, the revenues from the vast majority of these taxes have gone to pay for unrelated projects such as sports stadiums, convention centers, performing arts centers, art museums, police and fire stations and public transportation; and

WHEREAS, state and local officials have rationalized these excise taxes because they believe the majority of these taxes will be paid by out-of-towners, thereby interfering with interstate commerce; and

WHEREAS, Congress has the constitutional power to regulate commerce among the states and has given protection to industries that are a part of interstate commerce – such as railroads, airlines, trucking and buses – from state and local governments that wished to discriminatorily tax those industries; and

WHEREAS, representatives Rick Boucher (D-VA) and Chris Cannon (R-UT), along with six other original bi-partisan co-sponsors, have introduced H.R. 2453 that would prohibit state and local governments prospectively from discriminatorily taxing car renters, based upon the federal law that protects other industries mentioned above; and

WHEREAS, there is a growing coalition – the Coalition Against Discriminatory Car Rental Excise Taxes – of business and consumer organizations supporting H.R. 2453. The coalition consists of Alamo Rent A Car, the American Car Rental Association, American Society of Travel Agents, Americans for Tax Reform, Avis Rent-A-Car, Budget Rent-A-Car, Dollar Rent A Car, Enterprise Rent-A-Car, The Hertz Corporation, National Car Rental, National Business Travel Association, National Consumers League, National Limousine Association, Thrifty Car Rental, and Truck Renting and Leasing Association; and
WHEREAS, the American Legislative Exchange Council (ALEC), according to the Statement of Principles on Local Option Taxes believes that when raising revenue, government should ensure that no one is disproportionately burdened.

NOW THEREFORE BE IT RESOLVED, that ALEC urges Congress to pass H.R. 2453 to end discriminatory excise taxes on all car renters, and

BE IT FURTHER RESOLVED, copies of this resolution will be distributed to all Governors and members of the U.S. Senate and the U.S. House of Representatives.