



**“The End Discriminatory State Taxes for Automobile Renters Act”
ACRA Supports H.R. 4311**

Objective: To enact federal legislation to provide car rental customers with the same federal protection from discriminatory state and local taxes as the customers of the bus, airline, motor freight, rail and maritime industries currently enjoy. Both the stand-alone bills and the Davis-Cohen amendment to the House FAA bill help alleviate the ever-growing tax burden on car rental consumers.

H.R. 4311: Bi-partisan legislation to prospectively prevent states and local governments from adopting discriminatory taxes on car rental customers has been introduced in the House (with a companion bill in the Senate coming soon). This legislation will:

- Prohibit state and local governments from adopting new discriminatory taxes or fees on car rental consumers after the date of enactment;
- “Grandfather” any existing discriminatory taxes or fees until the tax is repealed or sunsets; and,
- Allow state and local governments to continue to impose non-discriminatory taxes (such as income, sales, property and other broad-based taxes and fees). Also preserves current and future airport-related fees that are imposed solely at the airport.

Why Congress Should Act:

The rental car industry has been declared by Congress – and affirmed by state and federal courts to be an industry engaged in interstate commerce.

- Rental car excise taxes are by definition discriminatory and place an undue burden on interstate commerce. Congress, not state or local governments, has the sole right to regulate interstate commerce.

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- 50% of all car rentals in the nation are “local,” undermining the claim by local politicians that only tourists and business travelers pay the discriminatory car rental taxes. While being rented locally, these rentals often include interstate travel.
- Car rental excise taxes disproportionately hit poor Americans, not big businesses -- 18% of the taxes paid on local rentals are paid by households earning less than \$50,000 annually.

37 Bi-Partisan Groups Support the Legislation including:

- American Automotive Policy Council;
- American Car Rental Association (ACRA);
- American International Automobile Dealers Association
- American Property Casualty Insurers Association;
- American Society of Travel Agents;
- Americans for Tax Reform;
- Associated Industries of Florida;
- Consumer Action;
- Consumer Federation of America;
- FCA US LLC;
- Ford Motor Company;
- General Motors;
- Global Business Travel Association;
- National Association of Minority Automobile Dealers;
- National Consumers League;
- National Limousine League;
- National Urban League;
- Sports Fan Coalition;
- Truck Renting and Leasing Association;
- United Auto Workers;
- U.S Hispanic Chamber of Commerce (USHCC); and,
- U.S. Pan Asian Chamber of Commerce.

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