

# OFFICE OF FISCAL ANALYSIS

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sHB-6568

## AN ACT CONCERNING PEER-TO-PEER CAR SHARING PROGRAMS.

### AMENDMENT

LCO No.: 9291

File Copy No.: 474

House Calendar No.: 343

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### ***OFA Fiscal Note***

#### ***See Fiscal Note Details***

The amendment results in a net revenue gain to the state of up to \$2.1 million in FY 22 and up to \$4.8 million annually thereafter by applying (1) the 9.35% rental car sales tax and (2) the \$1 per day tourism surcharge on rental cars to peer-to-peer (P2P) car sharing services.

The 9.35% rental car sales tax is estimated to generate between \$1.2 million and \$3.9 million in additional revenue annually to the state. The tourism surcharge is estimated to generate \$900,000 annually.

#### ***Sales Tax Impact by Fund***

Tax collections generated from the 6.35% general sales tax are deposited into the General Fund (GF), Special Transportation Fund and the Municipal Revenue Sharing Account (beginning in FY 22). The 9.35% car rental tax is deposited into the GF and the Regional Performance Incentive Account.

The table below provides the impact of the sales tax changes by fund under the amendment. For illustrative purposes, the estimates assume all P2P car sharing companies currently collect the 6.35% sales tax on

services.<sup>1</sup> In this scenario the net total impact to the state would be a revenue gain of \$1.2 million across all funds.

### Sales Tax Impact by Fund

Fund	6.35% Rate Share	9.35% Rate Share	Impact of Amendment
General Fund	5.35%	8.35%	1,200,000
Special Transportation Fund	0.50%	-	(200,000)
Municipal Revenue Sharing Account	0.50%	-	(200,000)
Regional Performance Incentive Account	-	1.00%	400,000
Total State Impact (net)	6.35%	9.35%	1,200,000

*The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.*

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<sup>1</sup> Certain P2P car sharing companies currently charge the 6.35% general sales tax even though it is unclear in statute whether that sales tax, or any other sales tax, is currently applicable.