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January 26, 2022

**The Honorable Chairman Major
Ways and Means Committee
The General Court of New Hampshire
LOB Room 202
107 North Main Street
Concord, NH 03301**

RE: HB 1430 - repealing the tax on rentals of motor vehicles under the meals and rooms tax

Dear Chairman Major and Committee Members:

On behalf of the American Car Rental Association (ACRA), I am writing to express ACRA's support for HB 1430 which would repeal the application of New Hampshire's room and meals tax to rental vehicle transactions. On behalf of our industry, and especially the customers who bear this cost, we ask that you consider the repeal of this tax which negatively impacts New Hampshire residents and businesses by applying a tourism tax on the rental of vehicles.

ACRA is the national representative for over 98% of our nation's car rental industry. ACRA's membership is comprised of over 300 car rental companies, including all of the brands you would recognize, such as Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National 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 over two million registered vehicles in service, with fleets ranging in size from ten to more than one million cars, a significant number of which are operated in New Hampshire.

While our members recognize that the Room and Meals tax generates funding that is critical in New Hampshire, we strongly disagree that singling out of our customers in a tax designed to be imposed on hotels and restaurants is appropriate. While many of our members do business at airport locations which do serve visitors to New Hampshire, many of our members operate in business models that support local residents and local small businesses. The application of this tax to rental transactions results in an unintended tax burden on local small businesses who rent vehicles to deliver their products, fulfill temporary transportation needs, and replace damaged or broken-down work vehicles.

Our members contribute to the strong business environment in New Hampshire through the jobs they create and their economic impact. But, a funding mechanism that targets an entire industry's customers under the misconception that they are primarily tourists is not the right choice. We ask that you consider ending this practice.

We thank you for your attention to this important matter; and would be happy to answer any questions.

Very truly yours,

Sharon Faulkner
Executive Director