Car Rental Excise Tax

ASTA is part of the Coalition Against Discriminatory Car Rental Excise Taxes, and supports HR 2453 which prohibits future discriminatory car rental excise taxes and protects the rights of all car rental consumers. The bill, introduced by U.S. Representatives Rick Boucher (D-Virginia) and Chris Cannon (R-Utah), would not affect standard state or local sales taxes, vehicle license fees or airport-related fees. In addition, it will not apply to any car rental excise tax enacted prior to the bill’s effective date.

About HR 2453

HR 2453 is a straightforward bill that prohibits state and local governments from imposing discriminatory state and local excise taxes on car rental customers on, or after, the date of introduction of the bill.

What HR 2453 would do:

- Prohibit discriminatory state and local excise taxes on car rental customers enacted after the date of introduction of the bill in the House of Representatives
- Would “Grandfather” or permit to continue any existing discriminatory state or local excise tax that had been enacted on or prior to the date of introduction of HR 2453 in the House of Representatives, as long as the state or local authorization for a tax does not expire or the rate or basis of a tax does not change

What HR 2453 would not do:

- Would not prohibit states or local governments from enacting, or increasing the rate of general taxes, such as sales tax or property taxes that are levied on all citizens or businesses
- Would not prohibit states or local governments, as well as local and regional airport authorities, from imposing fees on car rental companies as a condition of doing business at an airport location (concession fees), as long as such fees do not violate an existing federal prohibition on taxing airport transactions to fund non-airport related projects
- Would not cut off any existing stream of tax revenue from discriminatory excise taxes for state or local governments to fund existing projects due to the “Grandfather” provision of the bill, as long as the state or local authorization for such a tax does not expire or the rate or basis of such a tax does not change.