

NetChoice *Promoting Convenience, Choice, and Commerce on The Net*

Carl Szabo, Vice President and General Counsel
1401 K St NW, Suite 502
Washington, DC 20005
202-420-7485
www.netchoice.org



Rep. Tim Brown, Chair
Ways and Means Committee
Indiana House of Representatives
200 W. Washington Street
Indianapolis, IN 46204

February 14, 2018

RE: **Opposition to any amendments to SB 242 that add discriminatory burdens on sharing**

Dear Chairman Brown and members of the committee:

We ask that you avoid any amendments to SB 242 – like those removed by Amendment 1 in the Senate – that create discriminatory burdens on the sharing economy. Such discriminatory amendments discourage new income opportunities for Indiana residents and impose burdensome regulations that are antithetical to property rights core to Indiana values.

For example, discriminatory amendments would impose barriers on home and car owners' ability to share their home or car for a couple of days via Turo, AnyVan, Airbnb, or HomeAway.

To that end, we suggest instead having a robust conversation about the benefits of the sharing economy.

Benefits of sharing economy to Indiana residents

The "sharing economy" is creating new ways for Indiana residents to earn extra income when they are not using their assets. This includes sharing tools via Local Tools, cars via Turo and AnyVan, and homes via Home Away and Airbnb.

Consider, for example, Indiana families that need a pick-up truck to move furniture. Car-sharing services help connect families that need a truck with neighbors who have a truck available for use. This helps car-owners earn extra income by sharing their cars with their neighbors.

Or consider the Indianapolis family that wants to leave town during the Indy 500. Home-sharing services allow these families to earn extra revenue for their otherwise empty homes.

Discriminatory Amendments impair the property rights of Indiana citizens

Making it harder to use their home and car the way they want, discriminatory limitations on Indiana residents seem counter to the state's values. For example, amendments to expand the definition of "facilitator" can force Indiana residents to have to apply for licenses visit the city court or town hall, all before they do something so simple as lending their truck to a neighbor for a couple of dollars in gas money.

Big rental car and hotel chains benefit most from passage of Discriminatory Amendments

Big hotel and rental car companies are backing legislation with discriminatory amendments because they view the emergence of the sharing economy as a threat to their business model. These big companies want to create artificial barriers to competition and are using legislation as a form of *competition prevention*.

Home and Car-Sharing platforms are not hotels or rental car companies

While car-rental companies want legislators to treat car-sharing as car-rentals, the two activities are markedly different. For example, unlike Enterprise or Hertz, online platforms don't own the cars that are shared. In fact, the users of the service are the car owners.

Moreover, big car-rental companies take advantage of tax loopholes rarely available to Indiana car owners who share their assets. Big rental car companies already get a special exemption in Indiana which lets them avoid \$81 million in sales taxes annually when they buy new cars for their fleets. They don't need more tax breaks.

Large entrenched incumbents may use words like "fairness" or "level playing field," but they don't really want that. If they really wanted a level playing field, then big hotels like Marriott shouldn't accept over \$3 million in development incentives from the taxpayers of Fort Wayne.

We ask that you avoid amending SB 242 to add discriminatory amendments. Nonetheless, we welcome the opportunity to work with you on reasonable regulations that allow all to prosper.

Sincerely,



Carl Szabo

Vice President and General Counsel, NetChoice

NetChoice is a trade association of e-Commerce and online businesses. www.netchoice.org