



Testimony of

Ryan Cagney – Senior Government Relations Manager

Testimony on HB 2154 (Support)

March 10th, 2025

Good afternoon Mr Chairman and the distinguished members of the committee my name is Ryan Cagney and I am a Senior Government Relations Manager for Turo a peer-to-peer car sharing company. Thank you for the opportunity to testify today. I would like to re-emphasize Turo's commitment to the state of Kansas and to this Committee to work on this legislation and support HB 2154.

We have hundreds of hosts and thousands of guests across Kansas placing their vehicles on the platform and assisting them in generating extra revenue with their vehicles when they are not using them.

In 1991, this legislature passed SB14 which created a tax exchange where rental car companies would no longer be required to pay the property tax in direct exchange for the creation of a rental car excise tax on rental receipts.

The intent of the legislation was to recover the loss of the new property tax exemption through imposing a new excise tax. However, today, that is not the case.

According to The Kansas Department of Revenue, the excise tax generates roughly \$5.6 million annually, while rental car's special tax break from the property tax is estimated at a loss of \$15 million annually.

HB 2154 will create a fair and level playing field by eliminating the excise tax placed on those renting vehicles in Kansas, while reinstating the property tax on rental vehicles purchased. The excise tax applied to rental car transactions, is paid by rental customers, not by a rental company. Eliminating the excise tax would be a tax cut for Kansas residents renting cars.

Since 1981, Kansas has been part of the International Registration Plan (or IRP). IRP is a multi state jurisdictional agreement regarding the registration of vehicles used in interstate commerce, such as trucks and rental cars. It is my understanding that the Kansas IRP statute says the IRP is adopted to follow the multi-jurisdictional agreement, which allows rental cars to be registered both in and out of state at a proportional amount based on the percentage of revenue that comes from each state and require the registration and property taxes be paid prior to registering the vehicles.

To be clear, this legislation would not set new precedent, but would align with the states of North Dakota, Georgia, Hawaii, Oregon where rental car companies are required to pay a tax on their purchase of vehicles. Furthermore, rental car companies are already required to pay property



taxes like the one we are addressing today in thirteen other states to include Arizona, Arkansas, Indiana, and Missouri.

Thank you for the opportunity to testify on behalf of Turo's community in Kansas. I am happy to answer any questions you may have.