

Advantage Rent A Car

Alamo Rent A Car

American Car Rental  
Association

American Society  
of Travel Agents

Americans for  
Tax Reform

Avis Rent A Car

Budget Car Rental

Dollar Rent A Car

Enterprise Rent-A-Car

The Hertz Corporation

National Car Rental

National Business  
Travel Association

National Consumers  
League

National Limousine  
Association

Thrifty Car Rental

Truck Renting and  
Leasing Association

WeCar  
*Car Sharing by Enterprise*

### FOR IMMEDIATE RELEASE

For more information, contact:

Laura Bryant

314-512-4178

[laura.t.bryant@erac.com](mailto:laura.t.bryant@erac.com)

## Coalition Speaks Out on Behalf of New Jersey Car Rental Customers

### ***Coalition opposes Legislature's "stealth" initiative; continues fight against arbitrary, unfair and discriminatory car rental excise taxes***

**June 23, 2009 (St. Louis)** –The Coalition Against Discriminatory Car Rental Excise Taxes – which includes car rental and car-sharing companies as well as travel industry, consumer, limousine and truck leasing organizations – today announced its opposition to a car rental excise tax that has been inexplicably included in New Jersey Senate Bill 2299 / Assembly 4048.

This bill, frequently referred to as the New Jersey Economic Stimulus Plan of 2009, primarily focuses on tax reform and enhancing municipalities' ability to finance economic development projects. However, the bill also includes a "stealth" provision allowing certain municipalities to impose up to a 5 percent excise tax on rental transactions.

Car rental customers in the cities of Newark and Elizabeth, including those at Newark Liberty International Airport, are immediate targets, but other New Jersey municipalities may be affected, too. Like the Coalition, the New Jersey Business and Industry Association also opposes this unfair and arbitrary excise tax.

"Car rental customers in New Jersey already pay a special \$5-per-day state tax, on top of the standard sales tax," explained Don Fonte, Government Relations Director for The Hertz Corporation, which is headquartered in Park Ridge, N.J. "Now Newark and Elizabeth car rental customers are being asked to up the ante another 5 percent for local economic development projects. As a longtime New Jersey-based company, we are speaking up on behalf of these consumers and businesses and publicly objecting to such an unfair tax policy."

The number of U.S. car rental excise taxes has doubled during the past decade, with more than 100 currently in place in 43 states and the District of Columbia – and more than \$7.5 billion collected since 1990. As an example, New Jersey's proposed excise tax would increase the total tax rate for Newark Airport to more than 30 percent on a \$46 daily car rental.

( more )

***Coalition Fighting Against New Jersey Car Rental Excise Taxes***  
**Page 2**

Ray Wagner, Vice President of Government and Legislative Affairs for Alamo Rent A Car, Enterprise Rent-A-Car and National Car Rental, added: "In these tough economic times, it is all too easy for political leaders to impose excise taxes on defenseless car rental customers – rather than enact an equitable, broad-based tax policy to spread the burden to all who benefit. As a result, more and more stakeholders are speaking up on behalf of all car rental customers, regardless of whether they are renting locally or at the airport."

The National Business Travel Association agrees that car rental excise taxes like the misguided New Jersey initiative are fundamentally unfair. "Our research indicates that the majority of NBTA member companies spend at least half of their car rental budgets in their home markets," stated NBTA President and Chief Executive Officer Kevin Maguire. "That means if New Jersey legislators proceed with this outrageous car rental excise tax, they will be pulling money straight from the bottom lines of companies based in Newark and Elizabeth."

Moreover, the National Consumers League has noted that car rental excise taxes are regressive because they fall disproportionately on local low-income residents, many of whom must rent cars because they do not own a vehicle. This is particularly true for Enterprise Rent-A-Car customers – nearly one in four earns less than \$40,000 annually; one in 10 earns less than \$30,000; and one in 20 earns less than \$20,000.

The Coalition has publicly acknowledged that local government authority not only is the cornerstone of U.S. democracy, but that local leaders obviously are struggling to fund many worthwhile programs, including the Newark and Elizabeth economic development initiatives. However, as municipalities, counties and states carry out their critical role in protecting consumer and citizen rights, it is important they extend that protection to all constituents, including car rental customers.

"The proposed tax unfairly singles out one group of consumers to fund unnamed civic projects in Newark and Elizabeth," Fonte noted. "At a time when the car rental industry is struggling to overcome reduced leisure and business travel, it is disconcerting that New Jersey – home of the Hertz, Avis and Budget car rental brands – is seriously considering such a discriminatory tax."

###

**About the Coalition Against Discriminatory Car Rental Excise Taxes**

The Coalition includes: Advantage Rent A Car, Alamo Rent A Car, American Car Rental Association, American Society of Travel Agents, Americans for Tax Reform, Avis Rent A Car, Budget Car Rental, Dollar Rent A Car, Enterprise Rent-A-Car, The Hertz Corporation, National Car Rental, National Business Travel Association, National Consumers League, National Limousine Association, Thrifty Car Rental, Truck Renting and Leasing Association, and WeCar (car sharing by Enterprise).