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Chairman Phil Mendelson

A BILL

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IN THE DISTRICT OF COLUMBIA

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To amend, on a temporary basis, the Fiscal Year 2027 Budget Support Emergency Act of 2026 and the Fiscal Year 2027 Budget Support Act of 2026 to clarify that the motor vehicle rental rate only applies to peer-to-peer car sharing services where the rental vehicle or utility trailer is owned by a rental operator or part of a rental fleet.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Peer-to-Peer Car Sharing Rental Vehicle Sales Tax Clarification Temporary Amendment Act of 2026".

Sec. 2. Section 7012 of the Fiscal Year 2027 Budget Support Emergency Act of 2026, enacted August 13, 2026 (D.C. Act 26-416; 73 DCR 11509) is amended as follows:

(a) Subsection (a)(1)(B) is amended to read as follows:

"(4B)(A) The rate of tax on the gross receipts from the sale of or charges for the rental or leasing of rental vehicles and utility trailers as defined in § 50-1505.01 shall be:

"(i) 9.25% beginning October 1, 2018, through September 30, 2026; and

"(ii) 11% beginning on October 1, 2026, and continuing thereafter; and

"(B) The tax rates established pursuant to subparagraph (A) of this paragraph shall apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace as defined in § 47-2001(g-4), including a peer-to-peer sharing program; provided that the tax rates established pursuant to subparagraph (A) of this paragraph shall only apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace if the rental vehicle or utility trailer is owned by a rental operator as defined in § 50-1505.01(6) or part of a rental fleet as defined in § 50-1505.01(5).".

(b) Subsection (b) is amended to read as follows:

"(3B)(A) The rate of tax on the gross receipts from the sale of or charges for the rental or leasing of rental vehicles and utility trailers as defined in § 50-1505.01 shall be:

"(i) 9.25% beginning October 1, 2018, through September 30, 2026; and

"(ii) 11% beginning on October 1, 2026, and continuing thereafter; and

"(B) The tax rates established pursuant to subparagraph (A) of this paragraph shall apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace as defined in § 47-2001(g-4), including a peer-to-peer sharing program; provided, that the tax rates established pursuant to subparagraph (A) of this paragraph shall only apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace if the rental vehicle or utility trailer is owned by a rental operator as defined in § 50-1505.01(6) or part of a rental fleet as defined in § 50-1505.01(5);"

Sec. 3. Section 7012 of the Fiscal Year 2027 Budget Support Act of 2026, enacted August 14, 2026 (D.C. Act 26-418; 73 DCR 11735) is amended as follows:

(a) Subsection (a)(1)(B) is amended to read as follows:

"(4B)(A) The rate of tax on the gross receipts from the sale of or charges for the rental or leasing of rental vehicles and utility trailers as defined in § 50-1505.01 shall be:

"(i) 9.25% beginning October 1, 2018, through September 30, 2026; and

"(ii) 11% beginning on October 1, 2026, and continuing thereafter; and

"(B) The tax rates established pursuant to subparagraph (A) of this paragraph shall apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace as defined in § 47-2001(g-4), including a peer-to-peer sharing program; provided, that the tax rates established pursuant to subparagraph (A) of this paragraph shall only apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace if the rental vehicle or utility trailer is owned by a rental operator as defined in § 50-1505.01(6) or part of a rental fleet as defined in § 50-1505.01(5).".

(b) Subsection (b) is amended to read as follows:

"(3B)(A) The rate of tax on the gross receipts from the sale of or charges for the rental or leasing of rental vehicles and utility trailers as defined in § 50-1505.01 shall be:

"(i) 9.25% beginning October 1, 2018, through September 30, 2026; and

"(ii) 11% beginning on October 1, 2026, and continuing thereafter; and

"(B) The tax rates established pursuant to subparagraph (A) of this paragraph shall apply to the sale or charges from any transactions for the sharing of a vehicle or utility trailer made through a marketplace as defined in § 47-2001(g-4), including a peer-to-peer sharing program; provided that the tax rates established pursuant to subparagraph (A) of this paragraph shall only apply if the rental vehicle or utility trailer is owned by a rental operator as defined in § 50-1505.01(6) or part of a rental fleet as defined in § 50-1505.01(5);"

Sec. 4. Applicability.

This act shall apply as of October 1, 2026.

Sec. 5. Fiscal impact statement.

The Council adopts the fiscal impact statement of the Budget Director as the fiscal impact statement required by section 4a of the General Legislative Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code § 1-301.47a).

Sec. 6. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)).

(b) This act shall expire after 225 days of having taken effect.