



MUNICIPALITY OF ANCHORAGE

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AMC 12.45 – RENTAL VEHICLE TAX INFORMATIONAL #13

Online Marketplace Rental Vehicle Exchanges Personal Vehicle Sharing Programs

Issued: January 21, 2014

This informational bulletin provides uniform guidance to all owners of vehicles who advertise their vehicles for rent on **RelayRides.com** or similar marketplace websites. It is the responsibility of the Treasury Division of the Municipality of Anchorage to ensure that Anchorage Municipal Code (AMC) Chapter 12.45 is applied and enforced in equitable manner. Therefore, it is imperative anyone offering vehicles for rent adhere to AMC 12.45 in the following prescribed manner.

AMC 12.45.010, Definitions, state (emphasis added) that “*Rental Agency* means **any person** engaged in the retail business of renting or leasing motor vehicles”.

AMC 12.45.020A1, states (emphasis added) “Transactions subject to this chapter include, but are not limited to, rentals entered into, as well as those under which the **renter takes initial possession of the motor vehicle within the municipality.**”

AMC 12.45.010, Definitions, state (emphasis added) that “*To Rent or rent* (in any conjugation of the verb form) a motor vehicle means to acquire or **sell the right to operate a motor vehicle** or be responsible for the operation of a motor vehicle for a definite period of time.”

The combination of the owner of a motor vehicle acting in conjunction with a marketing agent, such as RelayRides.com, **to rent or offer for rent** a motor vehicle in the Municipality of Anchorage constitutes a retail business subject to AMC Chapter 12.45. Accordingly, the individual owner of such a motor vehicle is required to register as a rental agency, collect 8% tax from the person who rents the motor vehicle, file a tax return and remit those taxes to the Municipality, as well as comply with all other provision of AMC 12.45.

Only the owner of the vehicle and not the marketplace exchange (e.g. RelayRides.com) controls the key attributes of the rental transaction, including but not necessarily limited to:

- Offering and making available for rent a motor vehicle to the public within the Municipality;
- Deciding the rental rate, rental period, and availability of the motor vehicle;
- Deciding whether or not a prospective renter will obtain the right to take possession of the motor vehicle;
- Inspecting the condition of the vehicle prior to and subsequent to a rental transaction;
- Ensuring the motor vehicle is clean, safe to operate, and has current license plates before the renter takes possession of the motor vehicle; and
- Has the ability to ensure that the 8% tax is collected from the renter at the time the rent is paid.

Failure to comply with the AMC 12.45 carries consequences under AMC 12.45.090 titled: Prohibited Acts and AMC 12.45.120 titled: Penalties. Please follow the link at <http://www.muni.org/rentalvehicletax> for the applicable forms.

If you have any questions about this matter, please contact the Treasury Division of the Municipality of Anchorage at the numbers listed below between 8:00AM and 5:00PM Monday through Friday, except on holidays.

For more information, please visit our website at: www.muni.org/treasury and click the “Rental Vehicle Tax” link, or contact: Enforcement Officers (907) 343-6964 or 6676 Supervisor (907)343-6965