



Revenue Ruling No. 23-001¹

Sales and Use Tax

**Peer-to-Peer Vehicle Sharing Platforms:
Tax Collection and Remittance Requirements**

Purpose

The purpose of this ruling is to explain the tax collection and remittance requirement for vehicle lease or rental transactions facilitated through peer-to-peer vehicle sharing platforms.

Facts

Company T operates an online platform that connects third-party vehicle owners with drivers/renters who want to lease or rent vehicles on a short-term basis for use in Louisiana. Through Company T's platform, vehicle owners provide listing information and set the base rental fee for their vehicles. Prospective drivers view listings of available vehicles on Company T's platform. After a vehicle is selected, Company T approves the transaction and collects rental fees and any other charges (*e.g.*, insurance, protection plans, and other optional services) from the driver. The driver then uses the shared vehicle for a set amount of time for a set fee pursuant to a vehicle sharing agreement which sets forth the terms and conditions agreed upon by the owner and driver. Company T does not own or rent vehicles; Company T facilitates, via its online platform, the lease or rental of vehicles between vehicle owners and drivers in Louisiana.

Issue

What are Company T's tax collection and remittance obligations for vehicles leased or rented by owners to drivers through Company T's platform?

Applicable Law and Definitions

Louisiana Revised Statutes 47:302(B), 321(B), 321.1(B), 331(B) and 51:1286, collectively, impose a state sales and lease tax of 4.45% on the lease or rental within Louisiana of each

¹ Revised May 1, 2024, to remove provisions related to the Automobile Rental tax.

A Revenue Ruling is issued under the authority of LAC 61III.101(C). A Revenue Ruling is written to provide guidance to the public and to Department of Revenue employees. It is a written statement issued to apply principles of law to a specific set of facts. A Revenue Ruling does not have the force and effect of law and is not binding on the public. It is a statement of the department's position and is binding on the department until superseded or modified by a subsequent change in statute, regulation, declaratory ruling, or court decision.

item or article of tangible personal property. “[L]ease or rental” is defined as the possession or use of tangible personal property by a lessee or renter, for a consideration, without transfer of title of such property.² Lease tax is due when a lessee possesses or uses leased tangible personal property within Louisiana, regardless of where the lessor and lessee entered into the lease contract or where the lessor transferred possession of the leased property to the lessee.³

Act 278 of the 2020 Regular Session added R.S. 47:301(4)(n)(i) and expanded the definition of “dealer” to include anyone who operates, maintains, or facilitates a peer-to-peer vehicle sharing program and collects some portion of the amount paid under a vehicle sharing program agreement.⁴ Additional definitions enacted by Act 278, and found in R.S. 47:301(4)(n)(ii), provide as follows:

1. Peer-to-peer vehicle sharing - the authorized use of a vehicle by a person other than the vehicle's owner through a peer-to-peer vehicle sharing program
2. Peer-to-peer vehicle sharing program – a business platform that connects a shared vehicle owner with a shared vehicle driver to enable the sharing of vehicles for financial consideration
3. Shared vehicle - a vehicle that is available for sharing through a peer-to-peer vehicle sharing program
4. Shared vehicle driver - a person who has been authorized to drive the shared vehicle by the shared vehicle owner under a vehicle sharing program agreement
5. Shared vehicle owner - the registered owner, or a person or entity designated by the registered owner, of a shared vehicle made available for sharing to shared vehicle drivers through a peer-to-peer vehicle sharing program
6. Vehicle sharing program agreement - the terms and conditions applicable to a shared vehicle owner and a shared vehicle driver that govern the use of a shared vehicle through a peer-to-peer vehicle sharing program.

Additionally, La. R.S. 47:340.1(A)(4)(b)(iv) excludes any person who offers or facilitates the furnishing of rental cars by rental car companies from the definition of a marketplace facilitator.

² La. R.S. 47:301(7)(a)

³ La. Admin. Code 61:I.4303(B), which further provides that lease and rental are synonymous.

⁴ La. R.S. 47:301(4)(n)

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Analysis

Sales Tax

Company T is in the business of operating, maintaining, and facilitating an online platform that connects vehicle owners with drivers who want to lease or rent vehicles on a short-term basis for use in Louisiana. Its business platform connects “shared vehicle owners” with “shared vehicle drivers” to enable the sharing of vehicles for financial consideration. Vehicle means every device in, upon, or by which any person, property or thing is or may be transported or drawn upon a public highway except devices moved by human power or used exclusively upon stationary rails or track.

The available vehicles listed on Company T’s platform are “shared vehicles” because they are made available for sharing to renters who wish to lease a vehicle through the platform. The owners are “shared vehicle owners” as they are registered owners of vehicles that are made available for sharing to shared vehicle drivers through a peer-to-peer vehicle sharing program. Likewise, the drivers are “shared vehicle drivers” as they are persons who have been authorized to drive shared vehicles by the shared vehicle owners under vehicle sharing program agreements.

Through its operation, maintenance, and facilitation of a peer-to-peer vehicle sharing program, Company T meets the definition of a dealer. As part of its collection of a portion of the amount paid under the vehicle sharing program agreements, Company T must also collect and remit sales tax on transactions facilitated on its vehicle sharing platform.

Reporting and Remittance

State sales tax⁵ collected by dealers subject to this ruling are required to be electronically remitted and paid to the Louisiana Department of Revenue. The local sales tax collected on the same transactions must be remitted to the appropriate local sales tax collector.⁶ These businesses are statutorily excluded from the definition of marketplace facilitator and are ineligible to file or remit to the Louisiana Sales and Use Tax Commission for Remote Sellers.

Ruling

Company T is a dealer pursuant to La. R.S. 47:301(4)(n) and is responsible for collecting and remitting the state and local sales tax on vehicles rented or leased pursuant to Company T’s platform.

⁵ La. R.S. 47:303(I) requires dealers as defined by La. R.S. 47:301(4)(n) to file their sales tax returns electronically and remit the related sales taxes electronically to the Department.

⁶ The [Uniform Local Sales Tax Board](#) maintains information related to the local sales tax on their website.

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Questions regarding this guidance can be directed to policy.publications@la.gov. Questions concerning the collection, reporting, and remittance of state sales/lease tax can be directed to sales.inquires@la.gov.

Richard Nelson
Secretary

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