



# This Week in State Tax (TWIST)

20th November, 2023



To listen to the podcast please [click here](#)

## Louisiana: Peer-to-Peer Car Sharing Platform's Obligations Outlined

The Louisiana Department of Revenue recently issued Revenue Ruling 23-001, which addresses the tax collection and remittance requirements for vehicle lease or rental transactions facilitated through peer-to-peer vehicle sharing platforms. Legislation enacted in 2020 expanded the definition of a "dealer" required to collect state and local sales tax 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. Another section of Louisiana law excludes any person who offers or facilitates the furnishing of rental cars by rental car companies from the definition of a marketplace facilitator.

The taxpayer at issue was in the business of operating, maintaining, and facilitating an online platform that connected vehicle owners with drivers who wanted to lease or rent vehicles on a short-term basis for use in Louisiana. The Department ruled that through its operation, maintenance, and facilitation of a peer-to-peer vehicle sharing program, the taxpayer at issue met the definition of a dealer. Due to its collection of a portion of the amount paid under the vehicle sharing program agreements, the taxpayer would be required to collect and remit sales tax on transactions facilitated on its vehicle sharing platform. The taxpayer would also be responsible for collecting and remitting the separate automobile rental tax that would be due on taxable rentals made through the platform. The ruling then addressed the taxpayer's reporting and remittance requirements. The state sales tax and the automobile rental tax (state and local portions) would be remitted electronically to the Louisiana Department of Revenue. Local sales taxes would be required to be remitted to the appropriate local sales tax collector, presumably because "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." Please contact Randy Serpas with questions.

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



© 2023 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS000670-1U

The following information is not intended to be "written advice concerning one or more federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.