



Coalition & Alliances

When to use them, solving common challenges, and tips for success



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HEAVY
EQUIPMENT
RENTAL TAX
COALITION

Why was the coalition model the right choice in this case?

Demonstrate issue breadth

Fight “special treatment” perception; highlight issue from multiple perspectives; show why this should be a priority for lawmakers.

Lend credibility to the cause

Draws attention from lawmakers and other stakeholders when a large group unites behind an issue (“it must be important”).

Platform to organize

Organize multiple (and sometimes competing viewpoints); assist when industry association is broader than the issue or fractured on the issue.

Distribution of costs

Pursuing a policy change can be expensive both financially and in terms of time (spreading the work and the cost can be valuable for everyone).

What are some common challenges coalition managers encounter?

Challenge	Solution
Coalition members have varying levels of GR sophistication and are all sending different messages.	Do the legwork. Make it easy for members. Prepare ready-made materials and talking points for use.
Websites are a good tool to keep everyone organized, but are expensive and tough to manage.	Use low-cost DIY options. Designate a single person or entity to manage the site.



HEAVY EQUIPMENT RENTAL TAX | COALITION

The Heavy Equipment Rental Tax (HERT) Coalition was formed by businesses in the heavy equipment rental industry who are disproportionately negatively impacted by states' and localities' tax systems. The top priority of the Coalition is the tax treatment of heavy equipment rentals under the personal property tax. The Coalition works to eliminate these taxes where possible, and, where not, to simplify the way heavy equipment rentals are taxed by replacing existing ad valorem property taxes on heavy equipment with alternative frameworks that radically ease compliance and administration for businesses and governments.

WHY IS REFORM NEEDED?

Learn more about the problem with states' current tax systems and what some states are doing to make their tax climate more welcoming to the heavy equipment rental industry.

STATE-SPECIFIC INFO

The Heavy Equipment Rental Tax Coalition is currently engaged in three states: Florida, Louisiana, Michigan, and Oregon. Explore the heavy equipment rental tax climate in each.



LOUISIANA'S SALES TAX: THE ONLY STATE THAT TRIPLE TAXES EQUIPMENT

During 2017, the HERT Coalition was successful in helping to enact legislation that reformed the inventory tax system in Louisiana. [HB 313](#), signed by Governor John Bel Edwards (D) in [June 2017](#), restores the inventory tax credit to equipment rental tax companies operating in the state. The credit had previously been disallowed for rental companies, while still being allowed for other types of businesses.

Despite this victory, the Louisiana tax system still needs additional work. Louisiana is the only state in which the same equipment is taxed *three times* under the sales tax before it is ultimately sold. Businesses pay sales tax *when the equipment is first purchased* for the purposes of renting it out. Second, sales tax is collected on the transaction *when the equipment is rented* to a customer. Finally, sales tax is collected *when the equipment is sold*.



LOUISIANA

[RESOURCES](#)

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HEAVY
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COALITION

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DOWNLOADABLE MATERIALS | LOUISIANA

Click below to download printable one-pagers explaining Louisiana's existing onerous system for taxing heavy equipment rentals (PDF documents will open in new page).

[LOUISIANA TAX OVERVIEW](#)

Louisiana is at a disadvantage both regionally and nationally due to its heavy equipment rental tax system and its sales tax system. Download a comparison to other states [here](#).

[LOUISIANA SALES TAX EXPLAINER](#)

Recent changes to Louisiana's sales tax disadvantage heavy equipment rental operators. Learn more about the issue [here](#).

Challenge

Coalition members don't volunteer for tasks when coalition leaders ask for volunteers to do particular things.

Keeping coalition members engaged and on track during the legislative session is difficult

Some potential coalition members cannot contribute financially.

Solution

Ask individual members directly to task them with certain things. Share responsibility list with the group.

Host regular calls with an agenda distributed before. Share minute after each call with action items.

Ask for in-kind contributions of other things (meeting space, use of consultants or staff, etc.).

Final Tips for Success

1

Start early! Most state sessions are short and recruitment, scope, and set up can take time.

2

Have a clearly-articulated mission and goals, and make sure goals are measurable.

3

Figure out your “plan of attack,” including tools that you need, prior to recruitment.

4

Have a good value proposition: why should stakeholders participate?

5

Make sure members understand commitment - what is expected of them?

6

Share successes when you have them (especially if they are quantifiable) to demonstrate value.

7

Make it easy for your members. Do the legwork for them and provide them with the materials.

8

Keeping track of process, what worked, and what didn't makes it easy to replicate elsewhere.



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