

Sales/Use/Indirect:

Florida: Lower Tax Rate on Commercial Rental of Real Property Triggered as of June 1

Tax Information Publication (TIP) No. 24A01-02, Fla. Dept. of Rev. (4/8/24). Pursuant to legislation enacted in 2023 providing that Florida's sales tax rate on the total rent charged under a commercial lease of real property (commonly known as the "business rent tax") is 4.5% until state law triggers an additional rate reduction to 2%, contingent on Florida's Unemployment Compensation Trust Fund reaching a certain balance [see H.B. 7063 (2023), and *State Tax Matters*, Issue 2023-22, for more details on this 2023 legislation], the Florida Department of Revenue (Department) announced that effective June 1, 2024, the business rent tax rate imposed under Fla. Stat. section 212.031 will be reduced from 4.5% to 2.0%. According to the Department, examples of real property rentals subject to this business rent tax under Fla. Stat. section 212.031 include rentals of commercial office or retail space, warehouses, and self-storage units or mini-warehouses. Please contact us with any questions.

URL: https://floridarevenue.com/taxes/tips/Documents/TIP_24A01-02.pdf

URL: <https://www.myfloridahouse.gov/Sections/Bills/billsdetail.aspx?BillId=78552>

URL: https://dhub.deloitte.com/Newsletters/Tax/2023/STM/230602_6.html

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