May 31, 2024

Florida Sales Tax Rate Imposed on Rentals, Leases, or Licenses to Use Commercial Real Property Reduced to 2 Percent (Effective June 1)

Reflecting Florida's ongoing efforts to establish a business-friendly environment, the state sales tax rate on commercial rentals is getting ready to drop to 2.0%. Effective June 1, 2024, the state sales tax rate imposed under Section 212.031, Florida Statutes, on the total rent charged for renting, leasing, letting, or granting a license to use real property (aka commercial rentals) is reduced from 4.5 percent to 2 percent. Examples are rentals of commercial office or retail space, warehouses, or self-storage units. The discretionary sales surtax (aka local option county tax) imposed by the county where the real property is located still applies—for example, 1 percent in Miami-Dade, Broward, and Palm Beach counties. Click here to see full county listing information. Each sale, admission, storage, or rental in Florida is taxable unless the transaction is exempt. Florida's general state sales tax rate is 6 percent, with the following exceptions:

- Retail sales of new mobile homes: 3 percent
- Amusement machine receipts: 4 percent
- Rental, lease, or license of commercial real property: 4.5 percent (2 percent effective June 1)
- Electricity: 6.95 percent

Information about the proper reporting of tax due on commercial rentals is available on the Florida Department of Revenue's website.

Authors

Sandra M. Ferrera
Partner

Miami, FL | (305) 373-4033

sferrera@daypitney.com

Steven J. Wernick
Partner

Miami, FL | (305) 373-4076

swernick@daypitney.com

Daniel Diaz Leyva
Partner

Miami, FL | (305) 373-4053

ddiazleyva@daypitney.com

Amanda G. Gomez
Associate

Miami, FL | (305) 373-4049

agomez@daypitney.com