

Sales/Use/Indirect:

Florida: New Law Lowers Tax Rate on Commercial Rental of Real Property

H.B. 7063, signed by gov. 5/25/23. Effective December 1, 2023, new law lowers Florida's sales tax rate on the total rent charged under a commercial lease of real property (commonly known as the "business rent tax") from 5.5% to 4.5%. This 4.5% business rent tax rate will remain in effect until state law triggers an additional rate reduction to 2%, contingent on Florida's Unemployment Compensation Trust Fund reaching a certain balance. The legislation incorporates several other sales and use tax law changes, including some permanent exemptions on certain consumer products and machinery and equipment to produce renewable natural gas. The new law also provides for several targeted sales and use tax holidays in the coming months.

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

See forthcoming Multistate Tax Alert for more details on the sales and use tax provisions in this bill, and please contact us with any questions in the meantime.

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