



## Tax Information Publication

# TIP

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### State Sales Tax Rate Imposed on Rentals, Leases, or Licenses to Use Real Property Reduced to 4.5%

**Effective December 1, 2023**, the state sales tax rate imposed under section 212.031, Florida Statutes (F.S.), on the total rent charged for renting, leasing, letting, or granting a license to use real property (“commercial rentals”) is reduced from 5.5% to 4.5%. Some examples of real property rentals subject to tax under section 212.031, F.S., include rentals of commercial office or retail space, warehouses, and self-storage units or mini-warehouses.

The total rent charged includes all consideration due and payable by the tenant for the privilege or right to use or occupy the real property. The local option discretionary sales surtax imposed by the county where the real property is located continues to apply to the total rent charged.

Sales tax is due at the rate in effect during the time the tenant occupies or is entitled to occupy the real property, regardless of when the rent is paid.

- Rental charges paid on or after December 1, 2023 for rental periods prior to December 1, 2023 are subject to 5.5% state sales tax plus any applicable discretionary sales surtax.
- Rental payments made prior to December 1, 2023 that entitle the tenant to occupy the real property on or after December 1, 2023 are subject to 4.5% state sales tax plus any applicable discretionary sales surtax.

The reduced state sales tax rate on commercial rentals does not apply to the tax rate imposed on parking or storage of motor vehicles, docking or storage of boats, or tie-down or storage of aircraft.

Information about the proper reporting of tax due on commercial rentals is available on the Department’s website at [floridarevenue.com/forms](https://floridarevenue.com/forms). Click the Sales and Use Tax dropdown menu and scroll to *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property* (Brochure GT-800016).

**References:** Chapter 2023-157, Laws of Florida; Section 212.031, Florida Statutes

#### For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit the Department’s website at [floridarevenue.com](https://floridarevenue.com) or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.

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