FLORIDA DEPARTMENT OF REVENUE

Tax Information Publication TIP

No: **19A01-11**

Date Issued: **October 30, 2019**

State Sales Tax Rate for Rental, Lease, or License to Use Real Property Decreases to 5.5% on January 1, 2020

Effective January 1, 2020, 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 is decreased from 5.7% to 5.5%. Some examples of real property rentals subject to tax under section 212.031, Florida Statutes, include 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 to the landlord 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 January 1, 2020, for rental periods prior to January 1, 2020, are subject to 5.7% state sales tax, plus any applicable discretionary sales surtax. Rental payments made prior to January 1, 2020, that entitle the tenant to occupy the real property on or after January 1, 2020, are subject to 5.5% state sales tax, plus any applicable discretionary sales surtax.

When the amount of total rent charges falls in between whole dollar amounts, the bracket system must be used to calculate the combined tax and surtax.

The decrease in the state sales tax rate for renting, leasing, letting, or granting a license to use real property (commercial rentals) does not apply to the tax 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**, under Sales and Use Tax in brochure GT-800016, *Sales and Use Tax on the Rental, Lease, or License to Use Commercial Real Property.*

References: Section 5, Chapter 2019-42, Laws of Florida; Sections 212.031(1)(c) and (e) and 212.099, 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 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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