

Governor's Budget Recommendation Conforming Bill
Commercial Rent Sales Tax

1 A bill to be entitled
2 An act relating to sales tax for commercial rent; amending
3 s. 212.031, F.S.; reducing the tax levied on rent or
4 license fees charged for the use of real property;
5 providing an effective date.
6

7 Be It Enacted by the Legislature of the State of Florida:
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9 Section 1. Effective January 1, 2018, paragraphs (c) and
10 (d) of subsection (1) of section 212.031, Florida Statutes, are
11 amended to read:

12 212.031 Tax on rental or license fee for use of real
13 property.

14 (1)

15 (c) For the exercise of such privilege, a tax is levied in
16 an amount equal to 4.5 ~~6~~ percent, of and on the total rent or
17 license fee charged for such real property by the person
18 charging or collecting the rental or license fee. The total rent
19 or license fee charged for such real property must ~~shall~~ include
20 payments for the granting of a privilege to use or occupy real
21 property for any purpose and must ~~shall~~ include base rent,
22 percentage rents, or similar charges. Such charges must ~~shall~~ be
23 included in the total rent or license fee subject to tax under
24 this section whether or not they can be attributed to the
25 ability of the lessor's or licensor's property as used or
26 operated to attract customers. Payments for intrinsically
27 valuable personal property such as franchises, trademarks,
28 service marks, logos, or patents are not subject to tax under

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29 | this section. ~~If In the case of~~ a contractual arrangement ~~that~~
30 | provides for ~~both~~ payments that are taxable as total rent or
31 | license fee and payments that are not taxable ~~subject to tax~~,
32 | the tax shall be based on a reasonable allocation of such
33 | payments and does ~~shall~~ not apply to the ~~that~~ portion which is
34 | for the nontaxable payments.

35 | (d) If ~~When~~ the rental or license fee of any such real
36 | property is paid by way of property, goods, wares, merchandise,
37 | services, or other thing of value, the tax shall be at the rate
38 | of 4.5 ~~6~~ percent, of the value of the property, goods, wares,
39 | merchandise, services, or other thing of value.

40 | Section 2. This act shall take effect January 1, 2018.