

Florida Repeals Its Unique Business Rent Tax - What Landlords and Tenants Need to Know

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In an effort to continue luring businesses from high-tax states and reduce the state's overall tax burden, Florida has repealed its sales tax on commercial leases effective October 1, 2025. Historically, lessees of commercial real estate, including office, retail, and industrial spaces, were subject to a rental business tax plus a local surcharge. In recent years, the state gradually reduced the tax rate from 6% to the current 2%, plus a 1-1.5% surtax depending on the county.

As addressed in a prior article - [The Two Mysterious Taxes of Commercial Real Estate Leases](#) - Florida is unique in taxing commercial property renters. However, state legislators viewed the imposition of the tax as a competitive disadvantage leading to its repeal.

The rescission becomes effective as of October 1, 2025, and will apply to lease payments covering that date and beyond. Consequently, prepaid rent for October 2025 will not be subject to the tax. However, rental payments for periods through September 30, 2025, will continue to be subject to the applicable sales tax even if paid after that date.

It is important to note that not all leases will benefit from the repeal. Rentals of parking facilities, self-storage, and short-term vacation rentals (*e.g.*, Airbnb, VRBO) will continue to be taxed.

Florida landlords and property managers will need to update their billing systems and automated payment processes to remove the business rent tax post-repeal. In many cases, they will be able to close their sales tax accounts through which the tax is currently remitted. Tenants are encouraged to closely review their October lease statements to confirm the proper removal of the tax.

For more information on the repeal of Florida's sales tax on commercial rent, please contact [Alan Goldenberg](#), Principal and Leader of the State and Local Taxation and Tax Controversy groups, [Kathleen Braica](#), Florida Office Leader and Partner in the Private Client group, [Robert Gilman](#), Partner and Leader of the Real Estate group, or your Anchin Relationship Partner.