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Insights

Governor DeSantis Aims to Eliminate Florida Commercial Rent Sales Tax by 2027

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As part of the proposed $115.6 billion state budget for fiscal year 2025-26, Governor DeSantis has outlined a plan to eliminate Florida's longstanding commercial rent sales tax. This proposal continues Florida's tax reduction strategy with a two-phase approach.

Under the proposal, the current 2% tax rate would decrease to 1% effective January 1, 2026, with complete elimination scheduled for January 1, 2027. This follows the significant reduction from 4.5% to 2% that took effect in June 2024, which was part of Florida's 2021 tax reform package.

The elimination of this tax, which has been part of Florida's revenue structure since 1969, is expected to save Florida businesses approximately $1.6 billion. While these state-level changes are being proposed, county-specific discretionary sales surtaxes will remain in effect.

We will continue to monitor this proposal's progress through the legislative process.

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