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Insights

HB 7031 Repeals “Business Rent Tax” on Commercial Leases

Article
Lowndes
06.25.2025

After years of reducing the sales tax rate on commercial real property lease payments, the Florida Legislature recently passed HB 7031, which eliminates sales tax on commercial real property rentals.

Examples of taxable commercial real property rentals include commercial office, retail space, warehouses, and self-storage units. The elimination of this tax, which has been part of Florida's revenue structure since 1969, is expected to save Florida businesses more than $1 billion dollars.

If the governor signs the bill, the law would be effective on lease payments due on October 1, 2025.

We will continue to monitor this legislation and provide updates as they become available.

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