

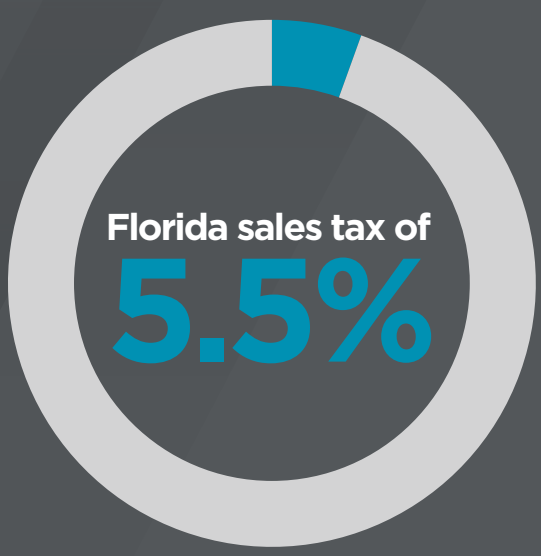
Florida's

0.2% SALES TAX DECREASE

HOW DOES THIS IMPACT Commercial Real Estate?

FLORIDA TAXES COMMERCIAL RENT

with Gross Rental payments subject to



EFFECTIVE JANUARY 1, 2020

the Florida real estate property lease/rental discount will

DECREASE BY
0.2%

THE RECENTLY APPROVED 0.2% REDUCTION

to the state's sales tax rate brings it to a:

5.5% TOTAL

ADDITIONAL REVENUE IS EARMARKED FOR

Infrastructure improvements within the State, individual cities and school boards.



UNDERSTANDING

Florida Sales Tax & Commercial Rent

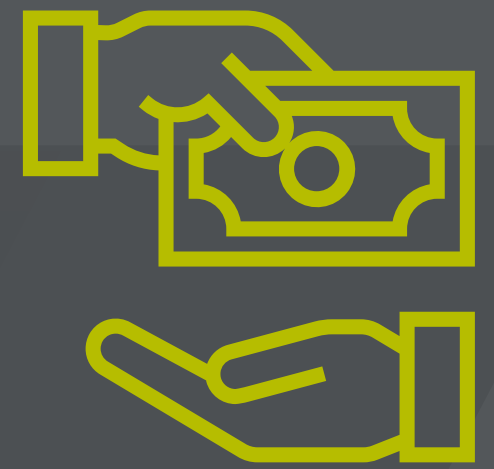


ANY RENT BEING PAID IS SUBJECT TO FLORIDA SALES TAX

That means that property expense payments paid on behalf of another are subject to Florida sales tax.

SALES TAX IS APPLIED TO THE GROSS LEASE AMOUNT.

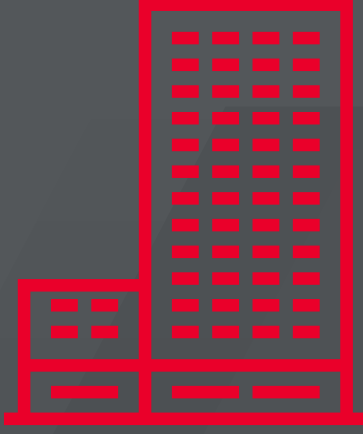
For a Triple Net (NNN) lease, sales tax is paid on the base rent AND Operating Expenses (OpEx) and is the responsibility of the tenant. One way to reduce the sales tax burden is to keep as much as possible OUT of OpEx



It is the RESPONSIBILITY OF THE LANDLORD TO COLLECT TAX FROM THE TENANTS

and remit the correct amounts to the Florida Department of Revenue.

EFFECTIVE JANUARY 1, 2020



**COMMERCIAL
PROPERTY OWNERS**
will be able to pass-through the 0.2% tax decrease starting with **JANUARY 2020 RENT PAYMENTS**



This is the **3RD TAX CUT** that Florida Tenants have seen since **2018**

*“The tax applies to retail, office and industrial leases and does not include **hotel or apartment leases.**”*



Source: NAIOP, The Real Deal

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