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REDUCTION IN STATE SALES TAX RATE FOR COMMERCIAL REAL PROPERTY DECREASES TO 5.8%

Effective 1/1/18, the state sales tax rate on the total rent charged for renting, leasing, letting, or granting a license to use commercial real property for rental periods beginning on or after January 1, 2018, is decreased from 6% to 5.8%. The local option discretionary sales surtax imposed by the county where the real property is located continues to apply to the total rent charged.

Some examples of real property rentals subject to tax include commercial office or retail space, warehouses, and self-storage units or mini-warehouses.

Attached is Florida Department of Revenue's notice related to the state rate reduction, a sample of Form DR-15 reporting and the discretionary sales surtax chart which lists the rates by County.

Please contact Hafer professionals to answer any questions you may have, or to assist you in filing this sales and use tax return. Nicole Johnson-Pendergrass is the Firm's Director of Operations and can be reached via email at Njohnson@haferco.com or Bill Kilgallon at Wkilgallon@haferco.com. You can also reach either of us at our office number (561) 655-8700.



Tax Information Publication

TIP

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Date Issued:
November 13, 2017

State Sales Tax Rate for Rental, Lease, or License to Use Real Property Decreases to 5.8% on January 1, 2018

Effective January 1, 2018, the state sales tax rate imposed under section 212.031, Florida Statutes, on the total rent charged for renting, leasing, letting, or granting a license to use real property is decreased from 6% to 5.8%. Some examples of real property rentals subject to tax under section 212.031, Florida Statutes, include commercial office or retail space, warehouses, and self-storage units or mini-warehouses.

The total rent charged includes all consideration due and payable by the tenant to the landlord for the privilege or right to use or occupy the real property. The local option discretionary sales surtax imposed by the county where the real property is located continues to apply to the total rent charged.

Sales tax is due at the rate in effect during the time the tenant occupies, or is entitled to occupy, the real property regardless of when the rent is paid. Rental charges paid on or after January 1, 2018, for rental periods prior to January 1, 2018, are subject to 6% state sales tax, plus any applicable discretionary sales surtax. Rental payments made prior to January 1, 2018, that entitle the tenant to occupy the real property on or after January 1, 2018, are subject to 5.8% state sales tax, plus any applicable discretionary sales surtax.

When the amount of total rent charges falls in between whole dollar amounts, the bracket system must be used to calculate the combined tax and surtax.

The decrease in the state sales tax rate for renting, leasing, letting, or granting a license to use real property (commercial rentals) does not apply to the tax imposed under section 212.03(6), Florida Statutes.

Information about the proper reporting of tax due on commercial rentals on your sales and use tax return is provided on the insert included with this publication.

References: Chapter 2017-36, Laws of Florida; Section 212.031(1)(c) and (e), Florida Statutes

For More Information

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our website at floridarevenue.com or call Taxpayer Services at 850-488-6800, Monday through Friday (excluding holidays).

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services MS 3-2000, 5050 West Tennessee Street, Tallahassee, FL 32399-0112.


Reporting Sales of Commercial Rentals on Form DR-15, Sales and Use Tax Return

Report commercial rental sales and tax due on Line C, Commercial Rentals, of Form DR-15, Sales and Use Tax Return.

Note: Information for filing using Form DR-15EZ is on the reverse side of this page.

Form DR-15, Sales and Use Tax Return (front of paper return):

Certificate Number: Florida		SALES AND USE TAX RETURN		HD/PM Date: / /	DR-15 R.
		1. Gross Sales	2. Exempt Sales	3. Taxable Amount	4. Tax Due
A. Sales/Services		.	.	.	.
B. Taxable Purchases	Include use tax on internet / out-of-state untaxed purchases →	.	.	.	.
C. Commercial Rentals		.	.	.	.
D. Transient Rentals		.	.	.	.
E. Food & Beverage Vending		.	.	.	.
Transient Rental Rate:	Surtax Rate:	Reporting Period:		5. Total Amount of Tax Due	.
				6. Less Lawful Deductions	.
				7. Net Tax Due	.
				8. Less Est Tax Pd / DOR Cr Memo	.
				9. Plus Est Tax Due Current Month	.
				10. Amount Due	.
				11. Less Collection Allowance	.
				12. Plus Penalty	.
				13. Plus Interest	.
				14. Amount Due with Return	.


FLORIDA DEPARTMENT OF REVENUE
 5050 W TENNESSEE ST
 TALLAHASSEE FL 32399-0120

Due: _____
 Late After: _____
 Check here if payment was made electronically.

If you file Form DR-15, Sales and Use Tax Return, on Line C, Commercial Rentals, report:

1. **Gross Sales** - total rental charges received (rental consideration);
2. **Exempt Sales** - tax exempt rent, if any;
3. **Taxable Amount** - taxable rent; and
4. **Tax Due** - state sales tax due, plus and applicable surtax.

Commercial rental sales should not be reported on Line A, Sales/Services or Line D, Transient Rentals.

Back of Form DR-15, Sales and Use Tax Return (back of paper return):

The surtax exemption for sales of items over \$5,000 does not apply to commercial rentals.

Discretionary Sales Surtax (Lines 15(a) through 15(d))	
15(a). Exempt Amount of Items Over \$5,000 (included in Column 3)	15(a). _____
15(b). Other Taxable Amounts NOT Subject to Surtax (included in Column 3)	15(b). _____
15(c). Amounts Subject to Surtax at a Rate Different Than Your County Surtax Rate (included in Column 3)	15(c). _____
15(d). Total Amount of Discretionary Sales Surtax Due (included in Column 4)	15(d). _____

Report the discretionary sales surtax included in the amount of tax due reported in Column 4 (Tax Due), Line C on the front of the return, in the surtax reported on Line 15(d) Total Amount of Discretionary Sales Surtax Due.



Discretionary Sales Surtax Information for Calendar Year 2017

Counties that are shaded in grey have more than one surtax. Each county that has a surtax levy that is new, revised, or extended is indicated in bold. If a county has a surtax that expires during this calendar year, an ← is beside the expiration date and the surtax is in bold.

County	Total Surtax Rate	Effective Date	Expiration Date	County	Total Surtax Rate	Effective Date	Expiration Date
Alachua	.5%	Jan 1, 2017	Dec 2024	Lake	1%	Jan 1, 1988	Dec 2032
Baker	1%	Jan 1, 1994	None	Lee	None		
Bay	1% (.5%)	Jan 1, 2011	Dec 2020	Leon	1.5% (1%)	Dec 1, 1989	Dec 2039
	(.5%)	Jan 1, 2017	Dec 2026		(.5%)	Jan 1, 2003	Dec 2027
Bradford	1%	Mar 1, 1993	None	Levy	1%	Oct 1, 1992	None
Brevard	1% (.5%)	Jan 1, 2015	Dec 2020	Liberty	2% (1%)	Nov 1, 1992	None
	(.5%)	Jan 1, 2017	Dec 2026		(.5%)	Jan 1, 2012	Dec 2020
Broward	None				(.5%)	Jan 1, 2017	Dec 2021
Calhoun	1.5% (1%)	Jan 1, 1993	None	Madison	1.5% (1%)	Aug 1, 1989	None
	(.5%)	Jan 1, 2009	Dec 2018		(.5%)	Jan 1, 2007	None
Charlotte	1%	Apr 1, 1995	Dec 2020	Manatee	1% (.5%)	Jan 1, 2003	Dec 2032
Citrus	None				(.5%)	Jan 1, 2017	Dec 2031
Clay	1%	Feb 1, 1990	Dec 2039	Marion	1%	Jan 1, 2017	Dec 2020
Collier	None			Martin	None		
Columbia	1%	Aug 1, 1994	None	Miami-Dade	1% (.5%)	Jan 1, 1992	None
DeSoto	1.5% (1%)	Jan 1, 1988	None		(.5%)	Jan 1, 2003	None
	(.5%)	Jan 1, 2015	Dec 2035	Monroe	1.5% (1%)	Nov 1, 1989	Dec 2033
Dixie	1%	Apr 1, 1990	Dec 2029		(.5%)	Jan 1, 1996	Dec 2025
Duval	1% (.5%)	Jan 1, 1989	None	Nassau	1%	Mar 1, 1996	None
	(.5%)	Jan 1, 2001	Dec 2030	Okaloosa	None		
Escambia	1.5% (1%)	Jun 1, 1992	Dec 2028	Okeechobee	1%	Oct 1, 1995	None
	(.5%)	Jan 1, 1998	Dec 2027	Orange	.5%	Jan 1, 2003	Dec 2025
Flagler	1% (.5%)	Jan 1, 2003	Dec 2022	Osceola	1.5% (1%)	Sep 1, 1990	Aug 2025
	(.5%)	Jan 1, 2013	Dec 2032		(.5%)	Jan 1, 2017	Dec 2036
Franklin	1%	Jan 1, 2008	None	Palm Beach	1%	Jan 1, 2017	Dec 2026
Gadsden	1.5% (1%)	Jan 1, 1996	None	Pasco	1%	Jan 1, 2005	Dec 2024
	(.5%)	Jan 1, 2009	Dec 2038	Pinellas	1%	Feb 1, 1990	Dec 2019
Gilchrist	1%	Oct 1, 1992	None	Polk	1% (.5%)	Jan 1, 2004	Dec 2018
Glades	1%	Feb 1, 1992	Dec 2021		(.5%)	Jan 1, 2005	Dec 2044
Gulf	1%	Jan 1, 2010	None	Putnam	1%	Jan 1, 2003	Dec 2032
Hamilton	1%	Jul 1, 1990	Dec 2019	St. Johns	.5%	Jan 1, 2016	Dec 2025
Hardee	1%	Jan 1, 1998	None	St. Lucie	.5%	Jul 1, 1996	Dec 2026
Hendry	1%	Jan 1, 1988	None	Santa Rosa	1% (.5%)	Oct 1, 1998	Dec 2018
Hernando	.5%	Jan 1, 2016	Dec 2025		(.5%)	Jan 1, 2017	Dec 2021
Highlands	1.5% (1%)	Nov 1, 1989	Dec 2033	Sarasota	1%	Sep 1, 1989	Dec 2024
	(.5%)	Jan 1, 2017	Dec 2036	Seminole	1%	Jan 1, 2015	Dec 2024
Hillsborough	1% (.5%)	Dec 1, 1996	Nov 2026	Sumter	1%	Jan 1, 1993	None
	(.5%)	Oct 1, 2001	None	Suwannee	1%	Jan 1, 1988	None
Holmes	1%	Oct 1, 1995	Dec 2028	Taylor	1%	Aug 1, 1989	Dec 2029
Indian River	1%	Jun 1, 1989	Dec 2034	Union	1%	Feb 1, 1993	None
Jackson	1.5% (1%)	Jun 1, 1995	Dec 2025	Volusia	.5%	Jan 1, 2002	Dec 2031
	(.5%)	Jul 1, 1996	Dec 2025	Wakulla	1%	Jan 1, 1988	Dec 2037
Jefferson	1%	Jun 1, 1988	None	Walton	1%	Feb 1, 1995	None
Lafayette	1%	Sep 1, 1991	None	Washington	1%	Nov 1, 1993	None

For 2017, the following counties have changes to their surtax rates:

Alachua County	.5% Total Surtax Rate ➤ New .5% Infrastructure surtax begins 1/1/2017 and expires 12/31/2024
Bay County	1% Total Surtax Rate ➤ New .5% Infrastructure surtax begins 1/1/2017 and expires 12/31/2026 ➤ Current .5% School surtax remains in effect and expires 12/31/2020
Brevard County	1% Total Surtax Rate ➤ New .5% Infrastructure surtax begins 1/1/2017 and expires 12/31/2026 ➤ Current .5% School surtax remains in effect and expires 12/31/2020
Clay County	1% Total Surtax Rate ➤ 1% Infrastructure surtax scheduled to expire 12/31/2019 is extended and will expire 12/31/2039
Highlands County	1.5% Total Surtax Rate ➤ New .5% School surtax begins 1/1/2017 and expires 12/31/2036 ➤ Current 1% Infrastructure surtax remains in effect and expires 12/31/2033
Indian River County	1% Total Surtax Rate ➤ Current 1% Infrastructure surtax scheduled to expire 12/31/2019 is extended and will expire 12/31/2034
Liberty County	2% Total Surtax Rate ➤ New .5% Emergency Fire Rescue Services surtax begins 1/1/2017 and expires 12/31/2021 ➤ Current 1% Small County surtax remains in effect until repealed ➤ Current .5% School surtax remains in effect and expires 12/31/2020
Manatee County	1% Total Surtax Rate ➤ New .5% Infrastructure surtax begins 1/1/2017 and expires 12/31/2031 ➤ Current .5% School surtax scheduled to expire 12/31/2017 is extended and will expire 12/31/2032
Marion County	1% Total Surtax Rate ➤ New 1% Infrastructure surtax begins 1/1/2017 and expires 12/31/2020
Osceola County	1.5% Total Surtax Rate ➤ New .5% School surtax begins 1/1/2017 and expires 12/31/2036 ➤ Current 1% Infrastructure surtax remains in effect and expires 8/31/2025
Palm Beach County	1% Total Surtax Rate ➤ New 1% Infrastructure surtax begins 1/1/2017 and expires 12/31/2026
Polk County	1% Total Surtax Rate ➤ Current .5% Indigent Care surtax scheduled to expire 12/31/2019 is extended and will expire 12/31/2044 ➤ Current .5% School surtax remains in effect and expires 12/31/2018
Santa Rosa County	1% Total Surtax Rate ➤ New .5% Infrastructure surtax begins 1/1/2017 and expires 12/31/2021 ➤ Current .5% School surtax remains in effect and expires 12/31/2018
Wakulla County	1% Total Surtax Rate ➤ Current 1% Infrastructure surtax scheduled to expire 12/31/2017 is extended and will expire 12/31/2037

Contact Us

Information, forms, and tutorials are available on our website:

www.floridarevenue.com

To speak with a Department representative, call Taxpayer Services at 800-352-3671, Monday through Friday (excluding holidays). Current hours of operation are posted on our website.

To find a **taxpayer service center** near you, go to **www.floridarevenue.com** and select the "CONTACT" tab.