

# POSITION PAPER

## REDUCTION OF COMMERCIAL RENT TAX

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**BOMA'S POSITION**

BOMA Florida supports HB 7097 Taxation, which would further reduce the sales tax on commercial leases from 5.5 percent to 5.4 percent.

**BACKGROUND**

The commercial real estate industry in Florida accounts for 627 million square feet of property, contributing \$9.3 billion to the state economy, and directly supporting 86,000 jobs – conservative estimates from BOMA International's economic impact study. When the impact on all industries that rent or own buildings is considered, particularly including the retail sector, these numbers can be multiplied many times over. A vibrant commercial real estate industry is a key contributor to our communities and to the quality of life that has become synonymous with the State of Florida.

The commercial rent tax is estimated to extract more than \$700 million annually. Florida is the only state in the country that imposes sales tax on commercial real estate leases. This sales tax hampers job creation, slows economic development, subjects businesses to disproportionate regulatory burdens, produces instances of double taxation, and creates a competitive disadvantage for Florida compared to other states.

**SUPPORT FOR THIS BILL**

With this bill, a further reduction in the rent tax will allow employers and small businesses to expedite economic development; reduce regulatory burdens; remove instances of double taxation (related to paying sales taxes on property taxes); and restore our competitive positioning when attracting employers to Florida.

**ACTION REQUESTED**

Now is the time to continue to support efforts to reduce the sales tax on commercial real estate leases. Please support HB 7097.



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### About BOMA Florida

The Building Owners and Managers Association of Florida (BOMA Florida) has over 1,500 members, representing 380 million square feet of commercial real estate in Florida. Members of BOMA Florida include owners and property managers, as well as other commercial real estate professionals such as HVAC technicians, engineers, carpet

suppliers, roofing contractors, property appraisers, painters, lawyers and more.

**Members of BOMA Florida represent the third largest sales tax-paying base in the State of Florida**

**SUPPORT HB 7097 "TAXATION"**