



THE FLORIDA SENATE
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President

For Immediate Release
June 13, 2025

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Senate to Take Up \$1.3 Billion in Tax Savings for Families and Businesses
*Targeted, broad-based savings on essentials for families and seniors keeps Florida affordable,
Eliminating Business Rent Tax keeps Florida competitive*

Tallahassee—The 2025-2026 Joint Budget Conference of the Florida Legislature, led in the Senate by Senator Ed Hooper (R-Clearwater), Chair of the Senate Committee on Appropriations, concluded today with agreement on \$1.3 billion in broad-based tax relief. House Bill (HB) 7031, which will be finalized over the weekend pursuant to the agreement, permanently eliminates the business rent tax and offers broad-based tax relief opportunities for Florida families and seniors, expanding efforts to keep essentials tax-free. The bill permanently eliminates the sales tax on many disaster and hurricane preparedness supplies as well as several safety and health-related items. This targeted tax relief legislation creates a permanent Back-to-School Sales Tax Holiday for the month of August and a new sales tax holiday this fall for Floridians exercising their constitutional right to hunt and fish. HB 7031 requires a study to establish a framework to reduce or eliminate property taxes for homesteaded property for voter consideration during the 2026 General Election. The Senate will vote on HB 7031 on Monday.

“Florida Senate is running to the fight for meaningful, broad-based tax relief to keep more money in the pockets of the hard-working Floridians and local businesses who earn it. Inflation has led to significant increases in costs, negatively impacting families and seniors. Cutting taxes on essentials helps keep Florida affordable,” said Senate President Ben Albritton (R-Wauchula). “We know our current sales tax holidays are popular and highly utilized as families and seniors map out and plan for specific purchases. Creating a permanent tax holiday every August on clothing, shoes, school supplies, and personal computers expands our current holiday and creates a consistency that benefits both consumers and retailers. We know severe weather can strike at any time. Year-round, permanent savings on key disaster preparedness items help families and seniors get and stay prepared, fostering safer homes and communities across the state.”

“Local businesses create the jobs families need to thrive, and communities need to grow. Currently, Florida is the only state charging a tax on commercial leases. By eliminating this tax on the rent businesses pay for their operations, we are helping keep Florida a competitive place to start and grow a business,” said Senator Hooper. “Every little bit saved on taxes helps families and seniors trying to make ends meet. Broad-based, reliable sales tax relief on clothing and shoes

during the month of August will be meaningful for families and seniors alike. Permanent tax savings on key home and personal safety supplies helps keep these items affordable while eliminating the tax on state park admission creates tax savings for healthy, family-friendly adventures in our nationally recognized state park system.”

ELIMINATES BUSINESS RENT TAX

- HB 7031 permanently eliminates the sales tax on commercial leases, effective October 1, 2025.

Background: Since 1969, Florida has imposed a sales tax on the rent charged under a commercial lease of property. Charges for the rental of real property by businesses were first made subject to the sales tax in 1968, at the rate of 4%. When the general sales tax rate increased to 5% and then 6%, charges for commercial rent increased to those same rates. If the tenant makes payments such as mortgage, ad valorem taxes, or insurance on behalf of the property owner, those payments are also classified as rent and are subject to the tax. Commercial property includes land, buildings, office or retail space, convention or meeting rooms, airport tie-downs, and parking and docking spaces. It may also include licenses granting the use of property for the placement of vending, amusement, or newspaper machines.

Since 2017, the Legislature has reduced the tax on charges for commercial rent. The rate was reduced from 6 percent to 5.8 percent, effective January 1, 2018. The following year, the rate was reduced from 5.8 percent to 5.7 percent, effective January 1, 2019. In 2019, the rate was reduced to 5.5 percent, effective January 1, 2020. In 2023, the Legislature further reduced the rate from 5.5 percent to 4.5 percent, effective December 1, 2023. In 2021, the Legislature approved a reduction to the business rent to take effect when the Unemployment Compensation Trust Fund reached its pre-pandemic balance. This occurred in in March 2024, resulting in the business rent tax rate dropping to 2% beginning June 1, 2024.

Florida is the only state to charge sales tax on commercial rentals of property.

SALES TAX RELIEF

Back-to-School

- Creates a permanent Back-to-School Sales Tax Holiday during the month of August for clothing, shoes, backpacks, school supplies, and personal computers or computer-related accessories, including software. (Tax free items must be under a dollar threshold specified in the bill)

Year-Round Disaster Preparedness

- Permanently eliminates the sales tax on certain batteries, fuel tanks, portable generators, tarps and ground anchors or tie-down kits. Bottled water, first aid kits, and many food items purchased at the grocery store are already tax-free.

Health and Safety

- Permanently eliminates the sales tax on fire extinguishers, smoke detectors, and carbon monoxide detectors.
- Permanently eliminates the sales tax on sunscreen and insect repellent.
- Permanently eliminates the sales tax on life jackets and bicycle helmets.

State Park Admission

- Permanently eliminates the sales tax on admission to Florida State Parks.

Gold, Silver, and Platinum Bullion

- Permanently eliminates the sales tax on purchases of gold, silver, and platinum bullion when purchased in units worth under \$500. Units worth over \$500 are already tax-free. Many Floridians purchase gold, silver, and platinum as a way to diversify their family savings and plan for emergencies.

Florida Hunting, Fishing and Camping Tax Holiday

- Creates a new tax holiday from September 8 – December 31, 2025, offering savings on camping, fishing, and hunting supplies, providing opportunities for tax-free savings for Floridians exercising their constitutional right to hunt and fish.

FLORIDA VOTERS TO DECIDE PROPERTY TAX RELIEF

The bill directs the Office of Economic and Demographic Research to conduct a study and establish a framework to reduce, or eliminate, property taxes for homesteaded property.

The report must be submitted to the President of the Senate and the Speaker of the House of Representatives this fall, and the Senate will use this information to address meaningful property tax relief for voters to consider during the next General Election.

Extending the Freeze on Local Cell Phone and TV Taxes

HB 7063 (2023) froze the local communications services tax rates for three years. The local communications services tax rate in effect on January 1, 2023, may not be increased before January 1, 2026. Similar to SB 1352 by Senator Jay Trumbull (Panama City), HB 7031 will extend the current freeze until 2031.

Home Away From Home Tax Credit

HB 7031 also contains provisions of SB 182, Tax Credits for Charitable Contributions, by Senator Calatayud (R-Miami), which passed the Senate unanimously earlier this year. The bill will create the Home Away From Home Tax Credit, which provides tax credits to Florida businesses for contributing to charitable organizations that house families of critically ill children at little or no cost to the family while traveling so the child can receive care.

Additional Tax Relief

Earlier in session, the Legislature passed SB 738 by Senator Burton (R-Lakeland), which exempts preschools from special assessments levied by municipalities. The Legislature also

passed SB 180 by Senator Nick DiCeglie (R-Indian Rocks Beach) which expands the parameters which keep portions of a rebuilt home after a storm from increasing the owner's property tax bill.

Background: The Florida Legislature continues to prioritize broad-based tax relief for Florida's families and businesses.

2024: House Bill (HB) 7073 included over \$500 million in property insurance tax relief and \$450 million in toll relief, as well as disaster preparedness, back-to-school, freedom summer, and tool time sales tax holidays.

Property Tax Relief: House Joint Resolution 7017 proposed an amendment to the Florida Constitution requiring the current \$25,000 homestead exemption, which is applied to all ad valorem taxes other than school district taxes, to be adjusted annually for positive inflation growth. The amendment was approved by Florida voters at the 2024 general election and took effect on January 1, 2025.

2023: HB 7063 provided permanent tax relief on key items utilized by growing families and seniors. The bill created a permanent sales tax exemption on the sale of baby and toddler diapers, wipes, clothing, shoes, strollers, cribs, and many other baby and toddler safety items. The legislation also created a permanent tax exemption on the retail sale of adult diapers, incontinence products, and oral hygiene products, including toothbrushes, toothpaste, and floss. Further, the bill created a permanent sales tax exemption on certain materials used in agricultural operations and reduced the business rent tax. Additionally, the bill froze the local cell phone and TV tax (local communications services tax) rates for three years. The local communications services tax rate in effect on January 1, 2023, may not be increased before January 1, 2026.

2022: HB 7071, delivered over \$1 billion in broad-based tax savings to families across Florida, with a focus on long- and short-term sales tax relief. The legislation resulted in savings for Floridians preparing for Hurricane Season and the 2022-2023 school year, with added tax relief to benefit those raising young children, purchasing energy-efficient appliances or skilled worker tools; as well as individuals and families enjoying outdoor activities and events. With gas prices at an all-time high the previous year, a month-long gas tax holiday provided key relief for Florida families and businesses. The bill also eliminated property taxes for homeowners who suffered losses in the Champlain Towers condominium collapse in Surfside, Florida, and expanded existing property tax relief for deployed military service members, widows, widowers, and blind or disabled Floridians.

2021: HB 7061 established Back-to-School, Disaster Preparedness, and Freedom Week Sales Tax Holidays, created a permanent tax exemption for independent living items, and expanded the tax credit for affordable housing. SB 50 prevented an unexpected tax hike on businesses by replenishing the unemployment compensation trust fund. The bill created a fair playing field for Florida businesses by requiring the collection of existing taxes that are owed, but not currently collected from out-of-state online retailers. Revenue derived from those collections is used to replenish the Unemployment Compensation Trust Fund depleted by the COVID-19 Pandemic,

ensuring necessary compensation is available for Florida workers seeking re-employment. When the trust fund reaches pre-pandemic levels, the law automatically triggers a permanent reduction in the business rent tax.

2020: HB 7097 established Back-to-School and Hurricane Preparedness Sales Tax Holidays.

2018 and 2019: HBs 7087 (2018) and 7123 (2019) established Back-to-School and Hurricane Preparedness Sales Tax Holidays, reduced the business rent tax, and created several exemptions related to hurricane response, preparedness, and recovery.

2017: HB 7109 established Back-to-School and Hurricane Preparedness Sales Tax Holidays, created a sales tax exemption for feminine hygiene products, and reduced the business rent tax.

Property Tax Relief: HJR 7105, passed by the Senate in 2017, added to the 2018 General Election ballot a proposed constitutional amendment that increased by up to \$25,000 the current homestead exemption, exempting the assessed valuation of homestead property greater than \$100,000 and up to \$125,000. This amendment was not adopted by Florida voters in 2018.

2016: HB 7099 permanently eliminated the sales tax for machinery and manufacturing equipment and established a Back-to-School Sales Tax Holiday.

2015: HB 33-A permanently decreased the communication services tax on Floridians' phones and television services, instituted a Back-to-School Sales Tax Holiday, and, among other tax relief measures, eliminated the sales tax charged to returning service members and their families who purchased a vehicle overseas.

2014: HB 5601 established Back-to-School and Hurricane Preparedness Sales Tax Holidays, created permanent sales tax exemptions for children's car seats, booster seats, and bicycle helmets, and provided a nearly \$400 million reduction in vehicle registration fees. The legislation reduced certain annual fees paid to register a motor vehicle to the amount paid prior to 2009. In addition to other tax relief measures passed in 2014, this legislation provided annual fee relief to every Floridian who registers a car or truck.

For more information, please visit www.FLSenate.gov.

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