

By Senator Gruters

23-00915B-19

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1                                   A bill to be entitled  
 2           An act relating to a tax exemption for use of real  
 3           property; amending s. 212.031, F.S.; providing an  
 4           exemption, under certain circumstances, from the sales  
 5           tax on commercial real property rentals; providing for  
 6           proration of the exemption for certain real property;  
 7           specifying the determination of annual adjustments to  
 8           a just value threshold under the exemption; providing  
 9           an effective date.

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 11 Be It Enacted by the Legislature of the State of Florida:

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 13           Section 1. Subsection (10) is added to section 212.031,  
 14 Florida Statutes, to read:

15           212.031 Tax on rental or license fee for use of real  
 16 property.—

17           (10) (a) The rental, lease, or license for the use of real  
 18 property is exempt from the tax imposed by this section if:

19           1. The property owner and the person who is renting,  
 20 leasing, or licensing the real property are separate legal  
 21 entities with 100 percent common ownership; and

22           2. The just value of the real property, as determined by  
 23 the property appraiser under chapter 193, is no more than \$1  
 24 million in the 2020 tax roll, and for each successive tax roll,  
 25 the adjusted value as determined in paragraph (c).

26           (b) If the real property being rented, leased, or licensed  
 27 is not a discrete parcel or unit on the tax roll, for purposes  
 28 of this subsection, the just value of the rented, leased, or  
 29 licensed real property shall be a value reasonably prorated from

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30 the just value of the parcel of real property on the tax roll of  
31 which the rented, leased, or licensed real property is a part.  
32 Such proration must reflect a reasonable market value of the  
33 rented, leased, or licensed real property and may be based on  
34 square footage and other relevant information as may be  
35 available.

36 (c) For purposes of paragraph (a), beginning January 1,  
37 2021, and every year thereafter, the \$1 million threshold shall  
38 be adjusted by the percentage change in the average of the  
39 Consumer Price Index issued by the United States Department of  
40 Labor for the most recent 12-month period ending September 30.

41 Section 2. This act shall take effect July 1, 2019.