



This Week in State Tax (TWIST)

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Florida: Gov. DeSantis Budget Proposes Repeal of Commercial Rent Tax

Governor Ron DeSantis of Florida recently unveiled his proposed [budget](#) for fiscal year 2026. It proposes to generate an estimated \$1.7 billion in savings for Florida businesses, according to the budget [highlights](#). Most notably, the Governor proposes a repeal of Florida's "business rent tax" – the state sales tax that is imposed on commercial real estate leases. Florida is currently the only state that imposes sales tax on such leases. The tax rate has been reduced in prior years to its current level of two percent. The Governor proposes a one percent reduction effective January 1, 2026, and another one percent reduction effective January 1, 2027, effectively repealing the tax.

Additionally, the budget proposes creation of the Research, Innovation, Science, and Engineering (RISE) Investment Tax Credit Program, aimed at increasing venture capital investment in the state. It would also make permanent the sales tax exemption for data center property, currently scheduled to expire after June 30, 2027. Finally, the budget proposes to renew numerous sales tax holidays that were offered last year, including holidays for "Back-to-School," "Disaster Preparedness," "Freedom Summer," "Tool Time," and others. For questions regarding the proposed budget, please contact [Ben Cella](#) or [Amanda Ribeiro](#).

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