September 3, 2015

The Honorable Rick Scott
Governor of Florida
The Capitol
400 S. Monroe Street
Tallahassee, FL 32301

Dear Governor Scott:

On behalf of the Florida Restaurant & Lodging Association (FRLA) members, we urge you to support lowering the sales tax currently charged on commercial leases in Florida. This tax is paid on the rent for property, which can already be a heavy burden for a new business starting. Every hospitality business already faces increased cost at the local level with additional taxes, plus keeping up with the costly changes due to state and federal government regulations.

Florida is the only state that imposes a specific sales tax on commercial real estate leases. This excessive tax is hampering economic recovery for employers and especially small businesses; subjecting Florida businesses to disproportionate regulatory burdens; creating instances of double taxation; and sacrificing our competitiveness in securing more corporate headquarters and other employers into the state—ultimately costing Florida jobs.

This legislation has been a priority for businesses, if the commercial lease sales tax is reduced by just one percent businesses can realize a substantial monthly savings. For small businesses especially, this savings will help them hire additional employees to help them grow. An eventual full repeal of this tax has the potential of adding 185,000 jobs to the state's economy and creating an aggregate economic impact of $21 billion. Business leaders all over the state are aware of the economic benefits of a sales tax cut on commercial leases and are in support of this endeavor.

We appreciate the opportunity to provide you with input and believe that lowering the applicable sales tax for commercial leases will help businesses put more than $250 million every year into our economy. Essentially, reeducation in commercial lease sales tax will help businesses keep Florida working and growing. Thank you for your consideration.

Sincerely,

Carol B. Dover, FMP
President and CEO

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