



Florida Department of Revenue  
Tax Information Publication

**TIP**

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Date:  
June 29, 2007

**CAPITAL IMPROVEMENTS MADE BY THOSE RENTING  
REAL PROPERTY FROM  
THE FLORIDA TURNPIKE ENTERPRISE ARE  
NOT SUBJECT TO COMMERCIAL RENT TAX  
BEGINNING JULY 1, 2007**

Effective July 1, 2007, the Florida Turnpike Enterprise and any non-government lessee or licensee renting, leasing, or licensing real property from the Florida Turnpike Enterprise, pursuant to an agreement authorized by Section 338.234, F.S., are exempt from paying any commercial rent tax imposed under Section 212.031, F.S., on the value of any capital improvements constructed, improved, acquired, installed, or used. Commercial rent tax remains due on the value of any capital improvements constructed, improved, acquired, installed, or used prior to July 1, 2007.

During the 2007 Regular Session, the Florida Legislature created Section 338.234(2), F.S., which provides for the exemption.

Taxpayers are alerted that capital improvements, other than those mentioned above, are subject to commercial rent tax. Section 212.031, F.S., imposes sales tax on the privilege of being in the business of renting commercial real property. In addition to traditional forms of "rent" (such as "base rent" and "percentage rent"), other forms of "rental consideration" are subject to sales tax. One form of "rental consideration" is "rent in kind." When a tenant is required to make capital improvements as a condition of occupancy, and the capital improvements remain with the landlord at the expiration of the lease, the total cost of the capital improvements is viewed as a form of "rental consideration" subject to sales tax under Section 212.031, F.S.

**References:** Chapter 2007-106, Laws of Florida; Sections 212.031 and 338.234, F.S.

**FOR MORE INFORMATION**

**This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.**

**For forms and other information, visit our Internet site at [www.myflorida.com/dor](http://www.myflorida.com/dor). Or call Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.**

**Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.**

**For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.**