



Florida does not have a state income tax for individuals. However, it does impose other taxes on certain types of rental activity. These taxes are based on how long the property is rented and whether the property is residential or commercial.

Many property owners focus only on federal income taxes when renting out Florida real estate, but rental income in Florida can also be subject to state and local taxes if residential real estate is rented short-term. The requirements apply to all types of owners, including foreign investors and nonresidents.

When these state and local taxes do not apply

Long-term residential rentals are exempt from state sales tax and local tourist development taxes. Long-term is a term of six months and a day or more (181+ days).

Who Actually Pays These Taxes?

The law intends for tenants to pay both taxes as part of their rental cost. You simply act as the collection agent. Even though these taxes are passed on to tenants, the law places responsibility on the **property owner**, not the tenant.

But here's the critical part: if you fail to collect from your tenant, you still owe the money. The state and county will pursue you, not your tenant.

The state and local tax rates vary by location. In many Florida counties, the combined state and local rate is significant and should be factored into rental pricing. Make the tax obligation clear to tenants before they sign any agreement.

If an owner fails to register, collect, or remit these taxes on time, the state or county may assess penalties and interest. These charges can add up quickly.

Owners should register with the appropriate state and local agencies as soon as their rental activity becomes subject to these taxes.

Understanding these rules early helps prevent penalties and unexpected costs.

Florida State Sales Tax (ST) on Rental Income

Florida's general state sales tax rate is 6%. Short-term residential rentals (six months or less) are subject to state sales tax.

Many Florida counties have a discretionary sales surtax (county tax) that applies to most transactions subject to the sales or use tax. You must collect this tax from your tenant with each rent payment. Then you remit it to the Florida Department of Revenue on a regular schedule, as determined by the state when you register.

For example, in Hillsborough county for the 2026 tax year the total county surtax rate is 1.5%. This would bring the total state sales tax to be collected to 7.5% (6%+1.5%).

County (Local) Tourist Development Tax (TDT) Adds Another Layer

Counties impose an additional tourist development tax on short-term rentals. It is sometimes called a "bed tax" or "tourist tax." This tax also applies only to residential rentals lasting six months or less. It is filed with a separate governmental agency from state sales tax.

The current TDT rate in Hillsborough County is 6%.

The 2026 total ST/TDT for Hillsborough County would be 13.5% (7.5% state + 6% local)



Collection and Payment

If you use a property management company, verify they handle state sales tax and local tourist development tax collection and payment. This is not automatic. Ask directly and get confirmation in writing. Using a property manager does not remove the owner's legal responsibility. Managers may collect and pay the taxes, but the owner remains accountable if something is missed.

If you self-manage, you are responsible for every step. You collect the tax, track it, and send payments to the state according to the required schedule.

Frequency of filing

The frequency of filing is dependent on factors determined by the state. Possible filing frequency could be monthly, quarterly, semiannual, annual or seasonal.

The filing frequency may be different for state sales tax and the local tourist development tax.

Commercial Rentals

Commercial rental properties have different requirements. If you rent commercial space, sales tax applies regardless of lease length.

The county tourist development tax does not apply to commercial properties.

Rentals Booked Through Airbnb, VRBO, and Similar Platforms

Many Florida rentals are now booked through online platforms such as Airbnb, VRBO, and similar websites. These platforms may collect and remit certain taxes on behalf of the owner, depending on the location of the property and the specific agreement in place. However, this is **not automatic in all cases**. The property owner remains legally responsible for ensuring that required Florida sales tax and county tourist development tax are properly collected and paid. Owners should confirm exactly which taxes, if any, the platform is handling and whether registration with state or local tax agencies is still required. Relying solely on the platform without verification can lead to unpaid taxes, penalties, and interest.

Author's Notes

This article is not intended to be tax advice.

I am happy to advise you on the options available to you in complying with the tax requirements on the rental of your property.

About the author:

David A Cumberland, CPA CGMA has presented at the local, state, and national level. David has authored articles intended for both the taxpayer and the tax professional. He is vice chair of the FICPA International tax committee and founder of Cumberland CPA & Co. which serves clients worldwide. He has published in the FICPA's Florida CPA Today magazine and produces client-based tax articles in English and Spanish to educate both current and prospective clients and advisors to those clients. He primarily practices in the area of inbound international tax work covering both individual and business tax preparation and consulting. Fluent in Spanish, his emphasis is working with international clients or clients with international considerations. David brings unique value and perspective to advising clients as a CPA as he has more than two decades of operational management experience in business in addition to a technical tax background. Having retired as lead shareholder of the International Tax Department of one of the largest independent certified public accounting firms in Southwest Florida his focus now is on continuing to serve clients he is passionate about in a boutique setting.

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