



UNIVERSITY OF CENTRAL FLORIDA

Financial Affairs

The Florida Legislature has approved a significant change to the state sales tax on real property rentals. Effective **October 1, 2025, real property rentals will be exempt from both Florida state sales tax and local option sales tax.**

Key Points:

- The exemption applies to real property rental periods that begin on or after October 1, 2025, regardless of when payment is received.
- Sales tax is based on the rental period, not the payment date. If a tenant occupies or has the right to occupy the property before October 1, 2025, the rental is still taxable at the current rate.

Updated Rates for UCF Rental Locations:

County	Real Property Rental Sales Tax Rate Prior to 10/1/2025	Real Property Rental Sales Tax Rate On/After to 10/1/2025	Rental Tax Code Name
Orange	2.5%	0%	Orange Rental Sales Tax
Seminole	3%	0%	Seminole Rental Sales Tax
Osceola	3.5%	0%	Osceola Rental Sales Tax
Volusia	2.5%	0%	Volusia Rental Sales Tax

Workday Guidance:

- For rental periods beginning on or after October 1, 2025:
 - Use Tax Applicability: USA Nontaxable
 - Leave the Tax Code field blank
- For rental periods before October 1, 2025:
 - Use Tax Applicability USA Taxable
 - Select the appropriate county specific rental tax code
 - Set Tax Point Date Type to "Goods/Services Delivery Date"
 - Enter the Tax Point Date as the date the tenant has the right to occupy the property.

Frequently Asked Questions:

- **Q:** Do I need to amend existing customer contracts?
 - **A:** No. Tax rates have been updated in the system and will apply automatically to invoices dated on or after October 1, 2025.
- **Q:** Do I need a new customer contract for rentals that span October 1, 2025?
 - **A:** No. The system will apply the correct tax rate based on the invoice date and rental period. When creating new customer contracts for real property rentals after October 1, 2025, be sure to select Tax Applicability USA Taxable.
- **Q:** What if I receive payment in September for an October real property rental?
 - **A:** The rental is non-taxable. If tax was charged, you must either remit it or refund the overpayment to the customer.
- **Q:** What if I receive payment after October 1 for a real property rental that occurred before October?
 - **A:** The rental is taxable at the old rate. Be sure to:
 - Use Tax Applicability USA Taxable
 - Select the rental sales tax code that corresponds to the county the property is located in.
 - Set the Tax Point Date to Goods/Services Delivery Date
 - Enter the Tax Point Date as the date the tenant was entitled to occupy the property.