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## Redlich battles against state sales tax on commercial leases

BY CAMILA CEPERO

As 2016 chairman of the Commercial Alliance for Florida Realtors, Ed Redlich's primary goal for the year will be to reduce or eliminate the sales tax on commercial lease agreements.

"Our biggest goal is getting the state sales tax reduced on commercial leases. It's not fair.

A sales tax on property taxes is double taxation," Mr. Redlich said.

Working with Florida Realtors, Gov. Rick Scott and Florida legislators, Mr. Redlich hopes to eliminate the sales tax on commercial lease agreements, also known as the "business rent tax."

"Every business that leases

commercial property in Florida must pay the state sales tax of 6%. Florida is the only state in the nation that charges such a tax," Mr. Redlich said in a letter to state legislators.

"A lot of times our issues are issues of the people, not just realtors. A lot of times we are advocating not just business causes but environmental issues too," Mr. Redlich said, speaking about the association's trips to Tallahassee.

"We're always looking out for property rights issues for property owners. We're encouraging home ownership too," he said.

A major roadblock in eliminating the tax, he said, is that the government is not going to easily give up a flow of revenue that it has become used to.

"I do wish it would move faster, but it's tough to get a tax reduction," he said. "As Ronald Reagan said, 'there's no such thing as a temporary tax.'"

A commercial realtor for over 20 years, Mr. Redlich was promoted to chairman after being involved in the organization for many years, often as a volunteer with the goal to make the organization better, he said.

As chairman of the Florida Realtors, an unpaid volunteer position, Mr. Redlich said that the time he has to dedicate to the job varies depending on the time of year.

"It's been a very enjoyable experience. We get to visit Tallahassee; we get to go to Washington, DC. Obviously, you're out of town for three to four days," he said.

Mr. Redlich's "day job" is vice president of ComReal Miami, a full service commercial real estate brokerage serving



Photo by Maxine Usdan

**Other states trying to recruit businesses use this tax as a tool, said Ed Redlich, chairman of the Commercial Alliance of Florida Realtors.**

local, national and international clients. He leads the ComReal Miami Industrial Team.

If the sales tax on commercial lease agreements were reduced or eliminated, Mr. Redlich said, the state's revenue would increase "because business would take more and larger properties."

In addition to this tax, Mr. Redlich said in his letter, businesses are paying many other taxes, permits, fees, tolls, among other costs, to national, state, county and local taxing authorities.

"I know for a fact that when other states try to recruit business to their states, they use this tax to their advantage," Mr. Redlich said. "Tennessee and

Georgia say, 'Why would you go to Florida? They're the only place that taxes lease agreements.' A lot of people don't even know this tax exists."

"If and when the entire 6% sales tax is repealed," Mr. Redlich said in his letter, "over 185,000 new employment opportunities would occur along with an estimated \$20 billion positive economic impact."

"Businesses come to Florida," he said, "and ask 'why do you charge us 6% on a lease?' It puts us at a disadvantage." If successful in having the sales tax "go away," Mr. Redlich said he hopes that it encourages businesses to expand, employ more people and offer employees more benefits.