

# BUSINESS IMPACT MESSAGING



## ***Eliminating Property Taxes is a Short Sighted Decision with Long Term Consequences***

### **Stability and Predictability are Good for Business.**



**Predictability Powers Growth.** Businesses depend on a stable tax environment to confidently plan investments, expansions, and hiring decisions. Eliminating property taxes (without any clear replacement plan) introduces unnecessary uncertainty. Florida is already recognized nationally for its efficient tax system, a competitive advantage that attracts and retains top employers.



**Local Services Support Opportunity.** Florida businesses depend on strong infrastructure and dependable local services to succeed. Every business relies on well-maintained roads, bridges, clean water, and safe streets, whether to receive supplies, deliver goods, or welcome customers safely.

- Tourism especially benefits from high-quality roads and public safety, giving visitors confidence to explore our communities, attractions, and beaches.
- Eliminating property taxes directly threatens these essential services, undermining the infrastructure our economy depends on and weakening Florida's business-friendly reputation.



**Financial Risk, Not Reward.** Eliminating property taxes would blow a massive hole in local budgets and destabilize the foundation businesses rely on.

- The result: Higher sales taxes, new user fees, and reduced investment in the roads, utilities, and services that keep Florida running.
- On a per capita basis, Texans pay more than twice as much in property taxes as Floridians (Texas Scorecard, October 2024), yet Sunshine State cities still deliver reliable public services. That's the kind of fiscal efficiency businesses want. Scrapping that model introduces instability, and it's bad for business.

## Bad for Business

### Property Tax Elimination Hurts Economic Competitiveness.



**Higher Sales Taxes Hit Consumer Spending.** Replacing property taxes with much higher sales taxes hurts small businesses by discouraging consumer spending.

- Analysts estimate that replacing property taxes could require a statewide sales tax of up to 12 percent, the highest in America.
- This would be particularly hard on Florida's retail and tourism industries, two of the state's largest employers that depend on stable costs and steady consumer spending.



**Disproportionate Impact on Small Businesses.** Large corporations and out-of-state investors might weather instability, but local small businesses would lose out, facing increased fees, higher rents, and unstable business conditions.



**Harder to Attract Skilled Talent.** Talented workers want to live in places with safe neighborhoods, good schools, vibrant downtowns, great parks and trails, and reliable local services. Eliminating property taxes puts those community assets at risk, making it harder for employers to attract and retain the workforce they need to do business.

## Damage to Real Estate Markets

### Property Tax Elimination Undermines Florida's Real Estate Stability.



**Market Instability.** Florida's real estate market depends on stable costs and predictable investment conditions.

- Eliminating property taxes would also eliminate the federal deductions businesses currently rely on, effectively increasing their federal income tax liability, because businesses would no longer be able to deduct property tax payments as expenses.
- That means their taxable income would appear higher on paper, even though their real-world costs haven't changed. As a result, many would owe federal tax on money they don't actually have.
- The ultimate effect: Rerouting tax dollars from critical local services in Florida ... to the IRS.



**Higher Costs.** This change could discourage investment, drive up rents, and increase vacancies.

- According to the National Association of Industrial and Office Properties (NAIOP), the net effect would be the equivalent of "raising business owners' property tax bills by roughly 40 percent" (NAIOP, March 7, 2025). In other words, what's pitched as tax relief could actually function as a hidden federal tax hike. That's good for the IRS, but bad for Florida's real estate market.



**Investor Uncertainty.** Commercial real estate investors rely heavily on stable, predictable financial conditions. Eliminating property taxes (without a concrete plan for replacing this major funding source) creates substantial uncertainty. According to industry groups, the loss of property tax deductibility and the potential shift to other less-predictable taxes could fundamentally alter investment economics, deterring investors and slowing development. Businesses and developers need clarity, not uncertainty, to confidently invest in Florida's communities.