



**FUBA**  
FLORIDA UNITED BUSINESSES ASSOCIATION

# ISSUES

OUR BUSINESS IS SMALL BUSINESS

**JANUARY 2019**

**Volume XXIX, No. 1**

## **FLORIDA WORKERS' COMP RATES DECREASE WHILE MINIMUM WAGE INCREASES FOR 2019**

Florida employers will pay less for their workers' compensation insurance in 2019, while employees making the minimum wage will get a raise.

Florida's Insurance Commissioner David Altmaier has ordered a decrease of -13.8% in the rates Florida businesses pay for workers' compensation insurance. The rate decrease is effective January 1, 2019, and will be applied by your insurance company to your premium when your policy renews.

The -13.8% rate decrease is an average rate change over the hundreds of different industry classifications. The specific rates for the individual class codes on your company's workers' comp policy may decrease more or less than this amount.

While your workers' compensation insurance costs may be going down, if you have employees making the minimum wage, those costs will increase in 2019. Starting January 1, 2019, the minimum wage Florida employers must pay their employees will increase from \$8.25 an hour to \$8.46 an hour.

If your business has tipped employees (like food servers), you do not have to pay them the full minimum wage, but you are required by law to pay them a cash wage. (This is in addition to

the tips they make.) For 2019, this cash wage is increasing from \$5.23 an hour to \$5.44 an hour.

All Florida employers are required to display a 2019 Florida minimum wage poster. **One of the benefits of your continued FUBA membership is that we provide you with all updated employment posters free of charge.** As long as you maintain your FUBA membership, you will receive all required employment postings from us.

You should have received the 2019 Florida minimum wage poster with your December newsletter. If you have any questions about the minimum wage and how it affects your business, or if you'd like to order additional posters, please call the FUBA offices at 800-262-4483 and ask for Karen, Lance or Mallory.

## **STATE UNEMPLOYMENT TAX RATES FOR 2019 RELEASED**

For 2019, the minimum Florida reemployment tax rate (previously known as "unemployment tax") will continue to be \$7.00 per employee per year, and the maximum rate continues to be \$378 per employee.

Your company's specific tax rate is based on the amount of unemployment benefits paid to your former employees, so your rate could be somewhere between the minimum and maximum rate.

As a reminder, you only pay reemployment tax on the first \$7,000 in wages for each employee. Any wages over \$7,000 that an employee earns are not subject to state reemployment tax.

You should have already received a notice from the Florida Department of Revenue explaining your company's unemployment tax rate for calendar year 2019. This is the tax rate you will apply to your employee's wages starting January 1, 2019. The first reemployment tax return for calendar year 2019 will be due to the Florida Department of Revenue by April 30, 2019 for wages paid in January, February and March.

### **IRS STANDARD MILEAGE RATE INCREASING FOR 2019**

The Internal Revenue Service (IRS) has announced that the standard mileage rate for the use of a car or other vehicle for business purposes for calendar year 2019 will be 58¢ per mile. This new standard mileage rate is an increase from last year's rate of 54¢ per mile. The standard mileage rate set by the IRS is used by many businesses to reimburse employees for mileage travelled in their personal vehicles for business reasons.

Businesses always have the option not to use this standard rate and instead calculate the actual costs of using a vehicle for business purposes and reimbursing their employees for that cost.

### **STATE SALES TAX RATE ON RENT DECREASES TO 5.7% FOR 2019**

In the State of Florida, commercial rent is subject to the state sales tax, plus any county sales surtax. Effective January 1, 2019, the Florida sales tax rate charged on rental of real property is decreasing from 5.8% to 5.7%. The rental of commercial office space, retail space, warehouses, and self-storage units/mini-warehouses are all subject to the state sales tax. Sales tax is due at the rate that is in effect during

the time the tenant occupies, or is entitled to occupy, the property regardless of when the rent is actually paid. Rental charges paid on or after January 1, 2019 for rental periods prior to January 1, 2019 are still subject to sales tax at the old rate, which is 5.8%, plus any applicable discretionary (local) sales surtax. Rental payments made prior to January 1, 2019 that entitle the tenant to occupy the property on or after January 1, 2019 are subject to the new rate of 5.7%, plus any applicable discretionary (local) sales surtax.

### **BEWARE OF ANNUAL REPORT SCAM**

All Florida Corporations and Limited Liability Companies (LLC's) have to file an Annual Report with the State of Florida each year by May 1<sup>st</sup>. (The only exception is for corporations and LLC's that were just formed in 2019 – those businesses will file their first Annual Report in 2020.)

The Annual Report is the way your company tells the State of Florida if there have been any changes to your company's information. But you must file an Annual Report even if no changes need to be made to your company's information.

Please don't be fooled by private companies offering to file your Annual Report or help you with corporate minutes. The names of these companies change, but in the past they have used names like "Corporate Filing Services of Florida" or "Workplace Compliance Services." The notice they send looks like an official government notice and asks you to send them some money, usually around \$100.

These notices are not affiliated in any way with the State of Florida. The only legitimate way to file your company's Annual Report is through the State of Florida's official website at **[sunbiz.org](http://sunbiz.org)**. Please call our offices at 800-262-4483 if you have any questions about your company's Annual Report.