



# Homestay Quick-guide

- **New businesses must file business licenses within 30 days of the start of business**
- **Existing businesses must renew their business license every year by March 1<sup>st</sup>**



## Where to start

**All homestays need a few things to get started. Please follow the checklist below.**

- **Federal EIN or SSN**  
Your Federal EIN (if issued) or Social Security number.
- **Copy of certificate of use**  
A zoning clearance is required of all businesses. If you work out of your residence, you must obtain a home occupation permit. Please contact the Community Development Department (434-296-5832) to obtain a certificate of use.
- **Copy of trade name registration**  
If your business trade name is different from the legal name, the trade names must be registered with the Clerk of the Circuit Court.
- **Copy of registration from State Corporation Commission**  
General partnership, limited partnership, corporation, business trust, or limited liability companies conducting business in Virginia must register with the Virginia State Corporation Commission.
- **Know your business entity type**  
Individual, Partnership, Corporation or other (LLC, LLP).
- **Complete a Business License Application**, which can be obtained from the Finance Department – Assessments division or downloaded from [www.albemarle.org/finance](http://www.albemarle.org/finance)



## FAQ

### What are Homestays?

*Homestays*, aka “tourist lodging,” or “short-term rentals” is lodging in which guest rooms are occupied for less than thirty (30) consecutive days.

### Are Homestays considered businesses for taxation purposes?

Yes, Homestays are considered businesses subject to all local tax regulations.

### Do I have to register as a business and pay taxes when renting out my home or rooms in my home on a website?

Yes, any person or entity offering short term lodging is required to register as a business and remit transient occupancy and sales tax along with any business licensing fees and personal property taxes required.

### What is the Transient Occupancy Tax?

It is a trust tax imposed on the occupancy of all rooms or spaces offered as guest rooms and rented out for continuous occupancy for fewer than thirty (30) consecutive days. Of the revenue collected, 60% goes to tourism and 40% goes to the general fund.

### Who collects the Transient Occupancy Tax?

Hotels, motels, boarding houses, travel campgrounds, homestays, and other facilities offering guest rooms must collect

and remit to the County a tax of 5% on each rented room or space.

### Do I owe for taxes that I have failed to file and/or pay in the past?

Yes, you are retroactively liable for all taxes that you have failed to file/pay to Albemarle County since starting your business.

### What other taxes or fees must I pay as a transient lodging provider?

- 1) Business license registration & tax based on annual gross receipts as follows:
  - a. (\$0-25,000) – No fee or tax
  - b. (Over \$25,000 and less than \$100,000) - \$50.00
  - c. (\$100,000+) - rate of 0.0036
- 2) Business Tangible Personal Property based on all property used for business purposes, including but not limited to all furniture, decorations, and appliances in the rented rooms.
- 3) Sales taxes of 5.3% collected from customers and remitted to the Virginia Department of Taxation in Richmond.
- 4) **IF** you also offer prepared food and beverages, you must collect Food and Beverage taxes from your customers on behalf of the County.

### How can I register as a business and pay my taxes?

To register your business, review the “Where to Start” checklist on the left, and visit the Finance Department, Tax Assessments division with all applicable documents. Once registered, you can easily file and pay your transient occupancy tax collections and your personal property taxes online at <https://www.albemarlecountytaxes.org/biztax>.



## Business Tangible Personal Property (BTPP) and other requirements

- All homestays must file a Business Tangible Personal Property tax return.
- All property used or available for use in your business as of January 1, must be reported when applicable.

**Business tangible personal property returns must be filed every year by May 1<sup>st</sup>**

- As a homestay offering transient lodging you must collect Transient Occupancy taxes. This tax is remitted to Albemarle County monthly.
- IF** your business sells prepared food and beverages, you must collect Food and Beverage tax. This tax is remitted to Albemarle County monthly.
- All retail sales (including short-term lodging and food and beverage) are subject to Sales tax.



## Contact us

Need help with anything? The Albemarle County Department of Finance is here to help. There are several ways to reach out to us.

- **By E-mail at**  
[albemarlecountyfinance@albemarle.org](mailto:albemarlecountyfinance@albemarle.org)
- **By Phone at 434-296-5851, Option #3**
- **In person or by mail at the Albemarle County Office Building; Revenue Administration Division – Assessments, 401 McIntire Road, Room 133, Charlottesville VA 22901.**



# Albemarle County Business Guides

## Homestays

