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Fairhope vacation rental checklist

Baldwin County, Alabama | Rules checked November 5, 2026

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Fairhope doesn't allow rentals under 30 days in its R-1, R-2, and R-3 residential zones (Ordinance 1336, 2007). They're allowed in R-4, R-S, B-1, B-2, B-3a, and B-3b with a city business license. Lodgings tax is 10% (6% city plus 4% state).

> Ordinance 1336 amended the 2007 zoning ordinance. Ask the city whether it still governs under the current zoning code.

Licensing steps

STATE OF ALABAMA

- [ ] **Register for the lodgings tax**
  Create an account at My Alabama Taxes (MAT) and register for state lodgings tax, plus any local lodgings taxes the state administers for your county and city. Cities that collect their own tax need a separate account with the city.
  My Alabama Taxes: https://myalabamataxes.alabama.gov/

- [ ] **File by the 20th**
  Returns are due by the 20th of the following month. Small filers can ask (before February 20) to file quarterly, twice a year, or yearly. Paying on time earns a small discount (5% of the first $100 of tax, 2% after).

- [ ] **Know what the platform collects**
  Under Act 2024-334, Airbnb, VRBO, and other booking platforms collect the state and local lodgings taxes on their bookings unless your contract says you remit. You still owe tax on direct bookings, and the law adds a yearly report of every unit rented more than 14 days.

- [ ] **Keep filing once you register**
  If every booking goes through a platform that collects all your state and local lodgings taxes, you may not need your own account. But if you take direct bookings, or the platform doesn't collect one of your local taxes (often the ones filed with a city, a county, or Avenu), register and file it yourself. Once registered, file every period, even a $0 return, and report platform-collected sales as a deduction. Some county offices ask owners to keep their own account and file monthly even when the platform pays, so ask yours.

- [ ] **Then your county and city**
  Local business licenses, rental permits, and zoning rules are where Alabama towns differ most. Pick your area.

BALDWIN COUNTY, ALABAMA

- [ ] **Check the lodging tax district**
  If your rental is in Gulf Shores, on the Fort Morgan peninsula, or in an area that opted in, add the 2% county lodging tax (filed with the state through My Alabama Taxes).

- [ ] **Then your city**
  City rules differ a lot. Pick your area.

CITY OF FAIRHOPE

- [ ] **Check your zoning**
  In R-1, R-2, or R-3, rent for 30 days or longer.

- [ ] **Register for lodgings tax**
  Total lodgings tax here is 10% (6% city + 4% state). The city's 6% is filed with the city. Airbnb collects the state tax and the local taxes the state administers on its bookings; for taxes filed with a city, county, or Avenu, ask your platform whether it collects them. For direct bookings, file everything yourself by the 20th of each month.

- [ ] **Get a city business license**
  Where short-term rentals are allowed, they're subject to the business license code.

Who to contact

Revenue: 251-928-2136
Baldwin County Sales and Use Tax: 251-943-5061

Official sources

Alabama Department of Revenue: State lodgings tax. https://www.revenue.alabama.gov/tax-types/lodgings-tax/

Alabama Department of Revenue: Lodgings tax FAQs. https://www.revenue.alabama.gov/faqs/lodgings-tax/

Alabama Department of Revenue: Alabama Tourism Tax Protection Act (Act 2024-334)-
. https://www.revenue.alabama.gov/alabama-tourism-tax-protection/

Avalara MyLodgeTax: Alabama vacation rental tax guide-
. https://www.avalara.com/mylodgetax/en/resources/vacation-rental-tax-guides/alabama.html

Baldwin County: Lodging tax district, Code of Alabama §45-2-243.24-
. https://baldwincountyal.gov/docs/default-source/sales-and-use-tax/lodging-tax-district--section-45-2-243-24.pdf?sfvrsn=b2591d06_1

City of Fairhope: Ordinance 1336, short-term rentals in residential zones (2007). https://www.fairhopeal.gov/DocumentCenter/View/531

Alabama Department of Revenue: Local lodgings tax rates report (November 2026)-
. https://www.revenue.alabama.gov/wp-content/uploads/2022/07/LLreport.pdf