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Gadsden vacation rental checklist

Etowah County, Alabama | Rules checked November 5, 2026

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Gadsden doesn't allow short-term rentals in R-1 single-family zones (unless a special exception was granted before July 1, 2023) and requires a yearly city permit (at least $100), a business license, short-term rental insurance, a 24/7 contact who can be on site within an hour, and notice to neighbors. Lodgings tax is 17% plus $1.50 a night since the city doubled its rate in October 2026.

> Two substantiated complaints in 12 months suspend the permit for at least six months; a third suspension in three years revokes it for good. Fines start at $500.

> The city code says to remit lodging taxes to the city, but the state's notice says Gadsden's tax is filed with the state. Ask the Revenue Office which account to use.

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.

ETOWAH COUNTY, ALABAMA

- [ ] **Register for the county lodging tax**
  File the county's 2% and $1.50 nightly room fee with the state through My Alabama Taxes, along with the 5% state tax.
- [ ] **Then your city**
  City rules differ a lot here. Pick your area.

CITY OF GADSDEN

- [ ] **Check your zoning**
  Get a zoning verification letter from the Planning Department. R-1 properties can't be permitted unless they had a special exception before July 1, 2023, and any zone that needs a special exception must get it first.
- [ ] **Apply for the short-term rental permit**
  Apply with the Building Department for each rental and pay the fee (at least $100). Include the 24/7 emergency contact, your house rules, the zoning letter, a copy of your ID, the platforms you'll list on, a sworn statement, and proof of short-term rental insurance.
- [ ] **Notify the neighbors**
  Before the permit is issued, give written notice to adjoining owners with the owner, operator, and emergency contact details, the city's violation phone number, and the maximum occupancy, and give the Building Department a copy.
- [ ] **Get a business license**
  Take out a business license with the Revenue Office.
- [ ] **Register for lodgings tax**
  Total lodgings tax here is 17% plus $1.50 a night (10% city, 5% state, 2% county). All of it is filed with the state through My Alabama Taxes. 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.

House rules for guests

Occupancy: 2 people per bedroom
Unless the fire marshal or building official sets another number.

Parking: Off-street, 1 space per bedroom
Concrete or asphalt; no overnight street parking by guests.

Events: No weddings, parties, or concerts

Who to contact

ADOR Sales and Use Tax Division: 334-242-1490

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

Alabama Department of Revenue: Etowah County: ADOR begins collecting local taxes (Resolution R26-0616B)-
. https://www.revenue.alabama.gov/wp-content/uploads/2026/07/Etowah-County_20260724.pdf

City of Gadsden (Municode): Code section.
https://library.municode.com/al/gadsden/codes/code_of_ordinances?nodeId=COOR_CH18BUBURE_ARTXISHTERE

Alabama Department of Revenue: Gadsden lodgings tax increase (Ordinance O-22-26)-
. https://www.revenue.alabama.gov/wp-content/uploads/2026/09/Gadsden_20260921.pdf

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