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Dothan vacation rental checklist

Houston County, Alabama | Rules checked November 5, 2026

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Dothan requires a business license for every short-term rental (30 days or less): $100 plus 0.5% of last year's gross receipts. Owner-occupied rentals are allowed in most residential zones; whole-home rentals need a Board of Zoning Adjustment special exception in A-C and R-1 to R-4 and must be 250 feet from another one. Two guests per bedroom, quiet hours 8 p.m. to 7 a.m., and lodgings tax is 14%.

> The license chapter (§18-504) says the property must be recorded as a homestead and only the owner may apply, while the zoning rules apply the homestead rule only to owner-occupied rentals. Ask Planning how this applies to a whole-home rental.

> Three or more notices of violation in a year can lead the City Commission to revoke the license.

> Airbnb's Alabama tax article lists the state tax and the local taxes the state administers. It doesn't name the Avenu- or city-administered taxes here, so ask your platform what it collects and file the rest yourself.

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.

HOUSTON COUNTY, ALABAMA

- [ ] **Register for the county lodgings tax**
  Open a local tax account with Avenu Insights for the county tax (7% outside Dothan, 1% inside). Avenu's returns can also be filed through the Local Tax account in My Alabama Taxes.

- [ ] **Then your city**
  Dothan has its own license and zoning rules. Pick your area.

CITY OF DOTHAN

- [ ] **Check your zoning**
  Renting rooms in the home you live in (STRR) is allowed by right in A-C, R-1, R-2, R-3, R-4, R-A, and B-1. Renting a whole home you don't live in (STCR) needs a special exception from the Board of Zoning Adjustment in A-C and R-1 to R-4, and can't be within 250 feet of another STCR in a single-family zone. The special exception is void if you don't get the license within 90 days.

- [ ] **Get the business license**
  Apply for a business license for each address before you advertise or book. Only the owner can apply. Put the license number in your listings, and list the occupancy limits there too.
  Dothan business license portal: https://businesslicense.dothan.org

- [ ] **Register for lodgings tax**
  Total lodgings tax here is 14% (9% city, 1% county, 4% state). The city 9% and county 1% are filed with Avenu Insights (205-324-0088). The state 4% goes through My Alabama Taxes; Airbnb collects it on its bookings. Ask your platform whether it also collects the local taxes, and file anything it doesn't by the 20th of each month.

- [ ] **Meet the whole-home safety rules**
  STCRs need a 5 lb ABC fire extinguisher (2A10BC), interconnected smoke alarms in bedrooms and the halls next to them, proof of homeowner's insurance, and off-street parking. No signs at the house, including the mailbox.

- [ ] **Name a 24/7 contact**
  A host or contact must answer within one hour, day or night. Give guests the contact at check-in and the city with your application. Record each guest vehicle's make, model, and year.

- [ ] **Renew each year**
  Show proof of property insurance and proof you paid (or filed zero reports for) last year's city lodging tax, and pay the license tax.

House rules for guests

Maximum guests: 2 per bedroom, plus children under 12

Gatherings (STCR): No more than 1.5 times the guest limit

Quiet hours: 8 p.m. to 7 a.m.

Vehicles (STRR): One extra vehicle

Not allowed: Tents, RVs, boats, travel trailers, accessory buildings

Who to contact

Planning Department: 334-615-4410
Business Licensing: 334-615-3166
Avenu Insights (lodging tax): 205-324-0088
Short-term rental hotline (24/7): 855-238-3288
Avenu Insights (local lodgings tax): 1-800-556-7274

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: Houston County lodgings tax rate notice (February 1, 2025)-
. https://revenue.alabama.gov/wp-content/uploads/2025/01/Houston-County_20250122.pdf

City of Dothan (Municode): Code section. https://library.municode.com/al/dothan/codes/code_of_ordinances?nodeId=PTIICOOR_CH114ZO_ARTXISURE_S114-188SHTERE

City of Dothan: Short-term rentals. https://dothan.org/777/Short-Term-Rentals

City of Dothan: Taxes. https://dothan.org/170/Taxes

City of Dothan (Municode): Code section. https://library.municode.com/al/dothan/codes/code_of_ordinances?nodeId=PTIICOOR_CH18BU_ARTXVIISHRMRE

City of Dothan: Fact sheet: short-term rentals. https://dothan.org/DocumentCenter/View/8650/Fact-Sheet---Short-Term-Rentals

City of Dothan: Ordinance 2022-267, zoning rules for short-term rentals. https://dothan.org/DocumentCenter/View/8648/2022-267

City of Dothan: Ordinance 2022-268, short-term rental business license. https://dothan.org/DocumentCenter/View/8649/2022-268