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Florence vacation rental checklist

Lauderdale County, Alabama | Rules checked November 5, 2026

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Florence requires a permit, a certificate of occupancy, and a business license for each short-term rental (under 30 days, up to four bedrooms), after a fire and building inspection. Rentals are allowed in R-1, R-2, R-3, R-B, B-3, the Sweetwater District, and upper floors in B-2; historic districts need Board of Zoning Adjustment approval. A local contact must arrive within 30 minutes. Lodgings tax is 11%.

Multi-family buildings may use up to 10% of their units as short-term rentals. Permits can't be transferred.

Neither the ordinance nor the application lists the permit fee. Ask the city for the current fee schedule.

Airbnb's Alabama tax article lists the state tax and the local taxes the state administers. Taxes filed with a city, a county, or Avenu Insights may not be collected by the platform, so ask 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.

LAUDERDALE COUNTY, ALABAMA

- [ ] **Register for the county lodgings tax**
  File the 6% county tax with the state through My Alabama Taxes, along with the 5% state tax.
- [ ] **Then your city**
  Pick your area.

CITY OF FLORENCE

- [ ] **Apply to the Building Department and City Clerk**
  Submit the application with your deed, room rates, guest agreement, proof of vacation rental insurance, tax compliance, a local contact, and Health Department approval if on septic.
  Florence application (PDF): https://florenceal.org/wp-content/uploads/2024/04/Short-Term-Rntal-Application.pdf
- [ ] **Pass the fire and building inspection**
  After the application is complete, the Fire and Building Departments inspect. You need to pass to get the certificate of occupancy and permit.
- [ ] **Run it by the rules**
  Put the permit number in every ad, post the permit, license, contacts, and maximum guests inside, and keep a guest register (names, addresses, vehicles) for 3 years. No events, no food sales, and no RVs as rentals.
- [ ] **Register for lodgings tax**
  Total lodgings tax here is 11%. The 6% county and 5% state taxes are filed with the state through My Alabama Taxes. Airbnb collects the state 5% and any state-administered local tax on its bookings. Ask your platform whether it also collects the other local taxes, and file anything it doesn't (and all direct bookings) by the 20th of each month.

House rules for guests

Maximum guests: Set by the building official and fire inspector
Only legal bedrooms count.

Events: None allowed

Who to contact

Business Development: 256-740-6086
RDS (city and county tax questions): 205-324-0088
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: Local lodgings tax rates report (November 2026)-
. https://www.revenue.alabama.gov/wp-content/uploads/2022/07/LLreport.pdf

City of Florence: Short-term rental application. https://florenceal.org/wp-content/uploads/2024/04/Short-Term-Rntal-Application.pdf

City of Florence (Municode): Code section.
https://library.municode.com/al/florence/codes/code_of_ordinances?nodeId=COOR_CH5BU_ARTXSHRMRERERE

City of Florence: Ordinance 2023-22, short-term rentals (July 10, 2023)-
. https://florenceal.org/wp-content/uploads/2023/12/Ordinance-2023-22.-Short-Term-Rentals.-7.10.23.pdf

City of Florence: Florence tax rates. https://florenceal.org/business/florence-tax-rates/