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Huntsville vacation rental checklist

Madison County, Alabama | Rules checked November 5, 2026

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Huntsville treats short-term rentals (179 days or less) like motels under zoning: they're allowed as a primary use only in Residence 2-B and some business, industrial, and Research Park districts, and by special exception in a few others, not in most residential zones. Every rental needs a city business license after zoning approval. Lodgings tax is 16% plus $2 a night.

The city page still lists a 9% city lodging tax; the state's November 2026 report shows 10% plus $2 a night from October 1, 2026.

Garbage at a short-term rental is billed at the commercial rate (§22-183).

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.

MADISON COUNTY, ALABAMA

- [ ] **Register for the county lodgings tax**
  File the 1% county tax with the state through My Alabama Taxes, along with the 5% state tax.
- [ ] **Then your city**
  Huntsville and Madison have their own rules and 10% city taxes. Pick your area.

CITY OF HUNTSVILLE

- [ ] **Confirm your zoning**
  Check your address on the city's zoning map or call Zoning Administration. In most residential districts a short-term rental isn't allowed; in some districts it needs a special exception.
  Huntsville short-term rentals: https://www.huntsvilleal.gov/business/licensing-permits/airbnb/

- [ ] **Get a business license**
  After zoning approval, apply with the Finance Department. The application goes to each department for review, and the city tells you the fee.

- [ ] **Register for lodgings tax**
  Total lodgings tax here is 16% plus $2 a night. The city's 10% and $2 room fee are city taxes (the city points owners to My Alabama Taxes to file); the state 5% and county 1% are filed with the state. 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.

Who to contact

Zoning Administration: 256-564-8008
City Hall: 256-427-5000
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 Huntsville: Short-term rentals. https://www.huntsvilleal.gov/business/licensing-permits/airbnb/

City of Huntsville (Municode): Code section.
https://library.municode.com/al/huntsville/codes/code_of_ordinances?nodeId=COOR_CH15LITA_ARTIIBULI_DIV5COTACLSC_S15-85LISC