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Decatur vacation rental checklist

Morgan County, Alabama | Rules checked November 5, 2026

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Decatur legalized short-term rentals (under 30 days) on April 1, 2026: up to 150 approvals a year, no more than three within 1,000 feet in residential zones, a fire and building inspection, a local contact within 50 miles who responds within an hour, and a city business license. Reported fees are $250 to apply and $250 on approval. Lodgings tax is 15% plus $2 a night.

Fines of up to $500 a day for operating without approval began after a 90-day grace period (July 1, 2026). Three complaints in a year can cost the permit.

We couldn't find the ordinance in the online code yet, so these facts come from news reports. Confirm fees and zoning with the Planning Department.

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.

MORGAN COUNTY, ALABAMA

- [ ] **Register for the state lodgings tax**
  File the 5% state tax through My Alabama Taxes.

- [ ] **Then your city**
  Pick your area.

CITY OF DECATUR

- [ ] **Apply through the city's online portal**
  Decatur's contractor, Deckard Technologies, runs the application. Submit proof of ownership and insurance, an off-street parking plan, and a local owner or agent within 50 miles, and complete the orientation course.
- [ ] **Pass the inspection**
  The fire marshal and building inspector inspect at the first application; later years use a yearly self-inspection.
- [ ] **Get a city business license**
  Get a business privilege license from the Revenue Department.
- [ ] **Register for lodgings tax**
  Total lodgings tax here is 15% plus $2 a night. The city's 10% and $2 room fee are filed with the city; the state 5% goes 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

Parking: Off-street only
Overnight vehicles can't exceed approved spaces; no on-street parking without a variance.

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

Huntsville Blast: Short-term rental applications now available in Decatur (April 3, 2026)-
. https://hvilleblast.com/short-term-rental-applications-available-decatur/

Decatur Daily: Short-term rental ordinance takes effect Wednesday (April 2026).
https://www.decaturdaily.com/news/morgan_county/decatur/short-term-rental-ordinance-takes-effect-wednesday/article_2fea9203-0f9c-4fa5-8a23-ab86946e61

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

Decatur Daily: Short-term rental signups off to a slow start (May 26, 2026).
https://www.decaturdaily.com/news/morgan_county/decatur/short-term-rental-signups-off-to-a-slow-start/article_91897e8d-06e5-4356-b238-5d029b4110ae.htr