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Chelsea vacation rental checklist

Shelby County, Alabama | Rules checked November 5, 2026

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We found no short-term rental permit or rules in Chelsea's code. You owe 17% (6% city + 7% county + 4% state) in lodgings tax and likely need a city business license.

> We couldn't find Chelsea's code online. Ask the city about a business license and zoning.

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.

SHELBY COUNTY, ALABAMA

- [ ] **Register for the county lodging tax**
  File the 7% county tax with Shelby County Business Revenue (My Alabama Taxes is preferred), on top of the 4% state tax.

- [ ] **Then your city**
  Pick your area. Hoover owners, use the Hoover page under Jefferson County.

CITY OF CHELSEA

- [ ] **Register for lodgings tax**
  Total lodgings tax here is 17% (6% city + 7% county + 4% state). The city's 6% is filed with the city. The county's 7% is filed with Shelby County Business Revenue. Airbnb collects the state tax and the local taxes the state administers. For county or city taxes filed with the county, the city, or Avenu, ask your platform whether it remits them; if not, file them yourself by the 20th of each month.

- [ ] **Ask about a business license and zoning**
  Ask the City of Chelsea whether a short-term rental needs a city business license and whether zoning allows it at your address. Check your HOA rules too.

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

Shelby County: Business Revenue. https://shelbyal.com/260/Business-Revenue

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

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. https://www.revenue.alabama.gov/wp-content/uploads/2022/07/LLreport.pdf