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Banner Elk vacation rental checklist

Avery County, North Carolina | Rules checked November 6, 2026

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Banner Elk requires an annual short-term rental permit for each whole-home rental, allowed in most of its residential and commercial districts. Guests are capped at 2 per bedroom plus 2 (10 at most), and a local contact must respond within 45 minutes. The town charges a 6% occupancy tax.

> Homes rented fewer than 14 days a year (incidental vacation rentals) don't need a permit.

> Three verified violations in 12 months can lead to denial or revocation; appeals go to the Board of Adjustment.

> Banner Elk's code calls the permit a registration. Since Schroeder (2022), North Carolina towns can't require rental registration; ask the town how it applies the permit today.

Licensing steps

STATE OF NORTH CAROLINA

- [ ] **Know who owes the tax**
  Whoever collects the rent reports the sales and occupancy tax: the platform, your rental agency, or you. Airbnb collects state and county sales tax and all local occupancy taxes on its bookings. If guests pay you directly, register with the Department of Revenue for sales tax and with your county or town for occupancy tax.
  NCDOR business registration: https://www.ncdor.gov/taxes-forms/business-registration

- [ ] **Use a written vacation rental agreement**
  The Vacation Rental Act covers owners and agents renting for vacation stays under 90 days. Have the guest accept a written agreement with the required notices, hold advance payments in a trust account, and keep the home fit and habitable with working smoke and carbon monoxide alarms.

- [ ] **Check your zoning**
  Towns can't require you to register a rental, but they can limit short-term rentals to certain zoning districts, require a zoning permit, and set parking, trash, and safety standards. Pick your area for the local rules.

AVERY COUNTY, NORTH CAROLINA

- [ ] **Then your town or area**
  Zoning rules and the occupancy tax depend on whether you're inside a town. Pick your area.

TOWN OF BANNER ELK

- [ ] **Apply to the Zoning Administrator**
  Apply in person or by mail with owner and responsible-party contacts, a site plan showing bedrooms and on-site parking, a sworn code compliance form, proof of STR liability insurance, and proof of ownership. Mail a notice to owners within 100 feet and include the USPS certificate of mailing.

- [ ] **Follow the operating rules**
  One improved on-site parking space per two bedrooms, a principal guest 21 or older, one party at a time, no weddings or large gatherings, and only the house number and street as signage. Post the responsible party's name, phone, and email inside.

- [ ] **Put the right details in every listing**
  Show the maximum occupancy, on-site parking, and your STR registration number. Keep a three-year log of rental dates and nightly rates for the tax office.
- [ ] **Taxes on each stay**
  Stays under 90 days owe 6.75% sales tax plus the local occupancy tax. Airbnb collects both on its bookings. If guests pay you directly, file sales tax with the Department of Revenue. Banner Elk's 6% occupancy tax form is due by the 20th of the following month, even when a platform pays the tax or the total is zero.

Who to contact

Town Hall (planning, zoning, tax): 828-898-5398
Avery County (occupancy tax): 828-733-8200

Official sources

UNC School of Government: Occupancy taxes and Airbnb. https://www.sog.unc.edu/node/374926

North Carolina General Assembly: Vacation Rental Act (G.S. Chapter 42A)-
. https://ncleg.gov/EnactedLegislation/Statutes/HTML/ByChapter/Chapter_42A.html

UNC School of Government: Short-term rental regulations after Schroeder-
. https://www.sog.unc.edu/blogs/coates-canons/short-term-rental-regulations-after-schroeder-0

Town of Banner Elk (American Legal Publishing): Code section-
. https://codelibrary.amlegal.com/codes/bannerelknc/latest/bannerelk_nc/0-0-0-7477

Town of Banner Elk: Permits and Forms. https://townofbannerelk.org/permits-and-forms/