LICENSEDRENTAL.COM

Chapel Hill vacation rental checklist

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

Scan for the latest version

Chapel Hill lets you rent your own home (where you live most of the year) in most zones, but whole-home rentals without a resident host are allowed only in commercial, office, and mixed-use districts. Every rental used more than 14 days a year needs a yearly town permit ($160). Stays owe 7.5% sales tax plus 6% occupancy tax.

With an accessory apartment or duplex on your lot, you can rent more than one unit to separate parties only while you are on site.

Special events that affect neighbors need their own permit.

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.

ORANGE COUNTY, NORTH CAROLINA

- [ ] **Taxes on each stay**
  Stays under 90 days owe 7.5% 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. Orange County's 3% occupancy tax applies countywide. For direct bookings, file it through the county's online portal by the 15th of each month, even when no tax is due. Inside Chapel Hill, Carrboro, and Hillsborough a 3% town tax applies too.
  Orange County occupancy tax: https://orangecountync.gov/836/Occupancy-Tax

- [ ] **Then your city or area**
  Zoning rules for short-term rentals are set by each city or town, and by the county outside town limits. Pick your area.

TOWN OF CHAPEL HILL

- [ ] **Check which kind of rental you have**
  If you live in the home at least 183 days a year, it's a primary residence rental, allowed as an accessory use in most districts. If no one lives there, it's a dedicated rental, allowed only in the town center, commercial, office-institutional, and some mixed-use districts. In a building with three or more units, no more than two units or 3% may be dedicated rentals.

- [ ] **Get the town permit**
  Apply to Planning for a short-term rental zoning compliance permit ($160 in fiscal 2025-26) and renew it every year. Put the permit number in every listing.

- [ ] **File the town and county occupancy tax**
  Chapel Hill's 3% tax is on top of Orange County's 3%. For direct bookings, file the county return through the county portal by the 15th and ask the town how to file its share; the town posts an occupancy tax application and form.
  Chapel Hill occupancy tax form:
  https://www.chapelhillnc.gov/Business-and-Development/Business-Services/Occupancy-Tax-Form

House rules for guests

Local responsible party: Responds within 2 hours, 24/7
Post their name, phone, and email inside the rental.

Parking: 1 space per bedroom + 1

Minimum stay: 18 hours, including overnight

Renter age: 18 or older

Signs: None advertising the rental

Who to contact

Town of Chapel Hill: 919-968-2743
Orange County Tax Office (occupancy tax): 919-245-2124

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

Orange County Tax Office: Occupancy tax. https://orangecountync.gov/836/Occupancy-Tax

Chapel Hill (Municode): Code section.
https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=PTIICO_APXALAUSMA_ART3ZODIUSDIST_3.7USRE

Chapel Hill (Municode): Code section.
https://library.municode.com/nc/chapel_hill/codes/code_of_ordinances?nodeId=PTIICO_APXALAUSMA_ART6SPREPAUS_6.27SHRMRE

Town of Chapel Hill: Occupancy tax form. https://www.chapelhillnc.gov/Business-and-Development/Business-Services/Occupancy-Tax-Form

Town of Chapel Hill: Fee schedule: Planning (FY2025-2026)-
. https://townofchapelhill.prod.govaccess.org/government/departments-services/business-management/fee-schedules/planning-fee-schedule