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Knoxville vacation rental checklist

Knox County, Tennessee | Rules checked November 5, 2026

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Knoxville requires a yearly short-term rental permit from the Business License & Tax Office. In residential zones only owner-occupied homes qualify (Type 1, $70, one per owner); non-owner-occupied rentals (Type 2, $120, two per operator) are limited to non-residential districts such as downtown. Occupancy is capped at 12 and tax is 18.25%.

> Type 1 permits end when the property is sold.

Licensing steps

STATE OF TENNESSEE

- [ ] **Register for sales tax**
  Register through the Tennessee Taxpayer Access Point (TNTAP). One registration covers all your rentals in the same city or county. If you take direct bookings, collect 7% plus the local rate and file by the 20th of each month. Once registered, file every month, even a $0 return.
  TNTAP: https://tntap.tn.gov/
- [ ] **Get a business tax license**
  Rentals under 180 days owe business tax. With $3,000 to $100,000 a year in gross receipts in a city or county you need a minimal activity license; at $100,000 or more, a standard license. Booking platforms don’t handle this for you.
- [ ] **Know what the platform collects**
  Airbnb, VRBO, and other marketplaces collect and remit sales tax and local occupancy tax on their bookings. Keep records showing they did. For direct bookings, you pay sales tax to the state and occupancy tax to the city or county.
- [ ] **Then your county and city**
  Permits, zoning, and occupancy tax rates are where Tennessee towns differ most. Pick your area.

KNOX COUNTY, TENNESSEE

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

CITY OF KNOXVILLE

- [ ] **Apply to the Business License & Tax Office**
  Include proof of ownership (and residency for Type 1), a site plan and floor plan showing bedrooms and off-street parking, a local contact, an indemnification agreement, and an affidavit of life-safety equipment. The office decides within 14 business days of a complete application.
  Knoxville short-term rentals:
  https://www.knoxvilletn.gov/government/city_departments_offices/Finance/business_license_tax_office/short-term_rentals
- [ ] **Notify neighbors (Type 1)**
  Within 48 hours of applying, mail or hand-deliver the city’s notice to adjoining owners (including across and diagonally across the street) and any neighborhood organization, and give the city their names and addresses.
- [ ] **Put the permit number in every ad**
  Advertising a rental without its permit number is unlawful; operating without a permit is $50 a day.

- [ ] **Register for sales and occupancy tax**
  Tax on stays here is 9.25% sales tax plus 4% city and 5% county occupancy tax. Airbnb and VRBO collect both on their bookings. For direct bookings, file sales tax with the state through TNTAP by the 20th of each month. File the city's hotel occupancy tax with the City of Knoxville and the county tax with the Knox County Clerk. You may also need city and county business licenses.

Inspection checklist

- [ ] **Smoke alarms (UL 217).** In each sleeping room, within 15 feet outside sleeping rooms, and on every story including basements.
- [ ] **Carbon monoxide detector.** Within 15 feet of all bedrooms.
- [ ] **Fire extinguisher.** At least one, operational.

House rules for guests

Local contact: On site within 45 minutes, 24/7

Who to contact

Business License & Tax Office: 865-215-2083
Short-term rental hotline (24 hours): 865-337-8275

Official sources

Tennessee Department of Revenue: Taxation of short-term vacation rentals-
. https://www.tn.gov/content/dam/tn/revenue/documents/taxpayer_education/misc/taxation-of-short-term-vacation-rentals.pdf

Tennessee Department of Revenue: SUT-48: Short-term rentals, reporting requirements-
. https://revenue.support.tn.gov/hc/en-us/articles/360058190432-SUT-48-Short-Term-Rentals-Reporting-Requirements

City of Knoxville (Municode): Code section.
https://library.municode.com/tn/knoxville/codes/code_of_ordinances?nodeId=PTIICOOR_CH16LIMIBURE_ARTXVSHTEREUNOR

Knox County (Municode): Code section.
https://library.municode.com/tn/knox_county/codes/code_of_ordinances?nodeId=PTIICO_CH58TA_ARTIIIHOOCTA

City of Knoxville: Short-term rentals.
https://www.knoxvilletn.gov/government/city_departments_offices/Finance/business_license_tax_office/short-term_rentals

Tennessee Department of Revenue: Local occupancy tax rates (map and report)-
. https://www.tn.gov/revenue/taxes/local-occupancy-tax/due-date-and-tax-rate/local-occupancy-tax-rates.html