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Gatlinburg vacation rental checklist

Sevier County, Tennessee | Rules checked November 5, 2026

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Gatlinburg calls short-term rentals “tourist residences.” Each needs an annual Tourist Residency Permit with a fire and building inspection ($200 for up to 2 bedrooms plus $75 per extra bedroom), a zone that allows them (not R-1A or R-2A), and city and county business licenses. Guests pay 12.75% tax, and the owner pays a 1.25% city gross receipts tax.

If you buy an existing rental, you’re liable for the seller’s unpaid gross receipts, hotel/motel, and business taxes, and the city won’t tell you whether they’re paid.

The zoning ordinance we read is the city’s posted copy updated through March 2022. Confirm your district with the city.

Airbnb’s Tennessee tax article says it collects state and local sales tax and all local occupancy taxes. It doesn’t mention city gross receipts taxes or business tax, so file those yourself.

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.

SEVIER COUNTY, TENNESSEE

- [ ] **Get city and county business licenses**
  Gatlinburg’s and Pigeon Forge’s new-business sheets list a $15 county business license from the Sevier County Clerk (865-453-5502) on top of the city license. Outside the cities, ask the Clerk which license applies.
- [ ] **Then your city or area**
  Permits, inspections, zoning, and occupancy tax differ in every city. Pick your area.

CITY OF GATLINBURG

- [ ] **Confirm your zoning first**
  The city says it’s your job to confirm the property is zoned for overnight rentals before you apply. Call Building and Planning at 865-436-7792. Tourist residences aren’t allowed in R-1A or R-2A, or in R-1A planned unit developments.

- [ ] **Apply for the Tourist Residency Permit**
  List the owner, the rental agent, the unit's name and location, bedrooms, stories, maximum occupants, and gross square footage. Apply online through CommunityConnect or mail the form and check to City of Gatlinburg, P.O. Box 5, Gatlinburg, TN 37738. The fee pays for the fire and building inspection.
  Gatlinburg Tourist Residency Permit: https://www.gatlinburgtn.gov/page/apply-for-a-tourist-residency-permit
- [ ] **Get city and county business licenses**
  Each costs $15 to apply: the city license from the Finance Department (865-436-1405) and the county license from the Sevier County Clerk (865-453-5502).
- [ ] **Register for sales and occupancy tax**
  Tax on stays here is 9.75% sales tax plus 3% city hotel/motel 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 3% city tax on direct bookings with the Gatlinburg Finance Department by the 20th. You also owe the city's 1.25% gross receipts tax every month on all rent, including platform bookings; marketplaces don't remit it.

Who to contact

Finance Department: 865-436-1405
Tourist Residency Permits: 865-436-1408
Building and Planning: 865-436-7792

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 Gatlinburg: New business: overnight rental-
. https://cms9files1.revize.com/gatlinburg/Finance/New%20Business%20Overnight%20Rental.pdf

City of Gatlinburg: Municipal Zoning Ordinance (updated through March 2022)-
. https://cms9files1.revize.com/gatlinburg/planning/Municipal%20Zoning%20Ordinance-2022.pdf

City of Gatlinburg: Apply for a Tourist Residency Permit. https://www.gatlinburgtn.gov/page/apply-for-a-tourist-residency-permit

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