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Germantown vacation rental checklist

Shelby County, Tennessee | Rules checked November 5, 2026

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Germantown bans stays under 30 days in homes in every residential and Old Germantown zoning district. Where lodging is allowed, taxes are 9.75% sales tax and 10% occupancy tax (5% county + 5% city).

> The ban dates from 2016, before the state's 2018 Short-Term Rental Unit Act. Ask the city whether a rental that was operating then has any protection.

> News reports in 2025 described city legal action against "party houses" in Germantown and Collierville.

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.

SHELBY COUNTY, TENNESSEE

- [ ] **Know who collects the county 5%**
  Airbnb says it collects all local occupancy taxes in Tennessee on its bookings. For direct bookings, file the 5% county tax with the Shelby County Clerk by the 20th of each month.
- [ ] **Then your city**
  City rules differ a lot: Memphis and Bartlett issue permits, while Germantown and Collierville ban short-term stays in homes. Pick your area.

CITY OF GERMANTOWN

- [ ] **Rent for 30 days or more**
  In residential districts, rent only to guests staying at least 30 continuous days. A home, condo, apartment, or room counts as a transient dwelling.
- [ ] **Register for sales and occupancy tax**
  Tax on stays here is 9.75% sales tax plus 10% 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. The county 5% goes to the Shelby County Clerk; the city 5% goes to Germantown's finance director by the 20th.

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

Shelby County (Municode): Code section.
https://library.municode.com/tn/shelby_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH40TA_ARTIIHOMOTA

City of Germantown (Municode): Code section.
https://library.municode.com/tn/germantown/codes/code_of_ordinances?nodeId=PTIICOOR_CH23ZO_ARTIIIDI_DIV6REDIRLODE_S23-227USRE

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https://library.municode.com/tn/germantown/codes/code_of_ordinances?nodeId=PTIICOOR_CH18TA_ARTVHOMOOCTA

The Daily Memphian: Short-term rentals in the Memphis area: rules and party houses (August 2025)-
. https://dailymemphian.com/article/53892/memphis-airbnb-short-term-rentals-regulations-vrbo-party-houses

Tennessee Department of Revenue: Local occupancy tax rates (report; data loaded November 4, 2026)-
. https://www.tn.gov/revenue/taxes/local-occupancy-tax/due-date-and-tax-rate/local-occupancy-tax-rates.html