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Unincorporated Shelby vacation rental checklist

Shelby County, Tennessee | Rules checked November 5, 2026

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Outside city limits, Shelby County requires a yearly short-term rental permit for each unit ($100, then $50 to renew), $1 million in insurance, a responsible party within 50 miles, and the permit number in every listing. Taxes are 9.25% sales tax and 5% county occupancy tax.

> Rentals operating before the county rules took effect (August 2018) are exempt under state law until the home is sold, stops being a rental for 30 months, or has three violations (§8-803).

> The June 2026 program update says registration is moving to the Division of Planning and Development; ask the County Clerk where to apply now.

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.

SHELBY COUNTY (UNINCORPORATED AREAS)

- [ ] **Apply for the county permit**
  Submit the application with a site plan drawn to scale showing each unit and the maximum guests per night, proof of ownership, proof of fire, hazard, and liability insurance of at least $1 million per occurrence, a compliance verification form, and a responsible party within 50 miles. The application calls for a final inspection by Memphis/Shelby County Code Enforcement.
  Permit application (PDF): https://www.shelbycountytn.gov/DocumentCenter/View/35741/STRApplicationFinal

- [ ] **Renew every year**
  Permits expire after 365 days. Send the $50 renewal at least 30 days before. Report any citation at the property in writing within 30 days of the court's decision.
- [ ] **Register for sales and occupancy tax**
  Tax on stays here is 9.25% sales tax plus 5% 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 county 5% with the Shelby County Clerk by the 20th of each month.

Fees

$100 the first year and $50 a year after

Application	**$100**
Annual renewal	**$50**
Operating without a permit	**Up to $50 a day per unit, plus court costs**

Inspection checklist

- [ ] **Fire extinguisher.** Five-pound, ABC-rated, in each unit.
- [ ] **Smoke alarms (UL 217).** In all sleeping areas and every room on the path out.
- [ ] **Carbon monoxide detectors.** On every habitable floor.
- [ ] **Posted contact.** Responsible party's name and phone posted; calls answered 24 hours a day during stays.

House rules for guests

Principal renter: 18 or older

Minimum stay: 24 hours

Food: Packaged, sealed, nonperishable only

Unincorporated Shelby asks for drawings with your application.
Make the site sketch, floor plans, and evacuation maps to scale from your measurements at FireEscapePlan.com.

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

Shelby County Clerk: Short term rental property permit application-
. https://www.shelbycountytn.gov/DocumentCenter/View/35741/STRApplicationFinal

Shelby County (Municode): Code section.
https://library.municode.com/tn/shelby_county/codes/code_of_ordinances?nodeId=PTIICOOR_CH8BUBURE_ARTXVIIISHTEREREPR

Memphis and Shelby County Division of Planning and Development: Short-term rental program update (June 2026)-
. https://memphistn.gov/wp-content/uploads/2026/06/STR-Process-Update-6-2026.pdf