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Dripping Springs vacation rental checklist

Hays County, Texas | Rules checked November 8, 2026

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Dripping Springs charges a 7% city hotel tax on short-term rentals, and says it applies in its extraterritorial jurisdiction too. Airbnb doesn't collect it, so hosts file quarterly with the city. We didn't find a separate rental permit.

> A city usually can't collect hotel tax outside its limits; if your home is in the ETJ, ask the city treasurer what authority applies before you file.

Licensing steps

STATE OF TEXAS

- [ ] **Know who pays the hotel tax**
  Airbnb collects and pays the 6% state hotel tax on its bookings. If guests pay you directly or through a site that doesn't collect, register with the Comptroller and file the state tax yourself.
  Texas hotel occupancy tax: https://comptroller.texas.gov/taxes/hotel/

- [ ] **Register for local hotel tax**
  Your city (and in some places your county) charges its own hotel tax, filed with that city or county, not the state. Airbnb pays it only in the places on its list; everywhere else you register and file it yourself, even for Airbnb bookings.

- [ ] **Check your city's rules**
  Many Texas cities require a short-term rental permit or registration, and some require an inspection, a local contact, or posted rules. Outside city limits there's usually no permit, but deed restrictions and HOA rules often limit rentals. Pick your area for the local rules.

HAYS COUNTY, TEXAS

- [ ] **Then your city**
  Texas counties can't zone, so rental rules come from the city your home is in. Outside city limits there's usually no permit, but deed restrictions and HOA rules may limit rentals. Pick your city.

CITY OF DRIPPING SPRINGS

- [ ] **Hotel taxes on each stay**
  Stays of 29 nights or less owe the 6% state hotel tax, which Airbnb collects on its bookings. If guests pay you directly, file it with the Texas Comptroller. The city's 7% hotel tax covers short-term rentals in city limits and the ETJ, and Airbnb doesn't pay it for you. File a quarterly report with the City Treasurer by the 20th after each quarter, even when nothing is due, and pay by check at 511 Mercer Street.

- [ ] **Ask about zoning**
  Ask the city whether zoning allows a short-term rental at your address. Check your deed restrictions and HOA rules too.

Official sources

Texas Comptroller of Public Accounts: Hotel Occupancy Tax FAQs: Airbnb. https://comptroller.texas.gov/taxes/hotel/airbnb-faq.php

Airbnb: Occupancy tax collection and remittance by Airbnb in Texas. https://www.airbnb.com/help/article/2331

Texas Legislature: County zoning authority (Local Government Code ch. 231). https://statutes.capitol.texas.gov/Docs/LG/htm/LG.231.htm

City of Dripping Springs Treasurer: Hotel Occupancy Taxes. https://www.drippingspringstx.gov/city-treasurer/hotel-occupancy-taxes

Texas Comptroller of Public Accounts (data.texas.gov): Local Hotel Occupancy Tax Reporting 2025. https://data.texas.gov/d/er34-v24h