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Palacios vacation rental checklist

Matagorda County, Texas | Rules checked November 8, 2026

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Palacios charges its own hotel tax; stays owe 6% state + 7% city hotel tax. We didn't check the city's code for short-term rental rules, so ask the city whether you need a permit.

> We didn't search Palacios's code in November 2026; the rate is what the city reported to the Comptroller for 2025. Confirm with the city before you list.

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.

MATAGORDA COUNTY, TEXAS

- [ ] **Then pick your city**
  Texas counties can't zone, so rental permits and the local hotel tax are set by each city. Pick your city, or the unincorporated page if you're outside city limits.

CITY OF PALACIOS, TEXAS

- [ ] **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. Palacios's 7% hotel tax isn't collected by Airbnb; register and file with the city.
- [ ] **Ask about permits and zoning**
  Ask the City of Palacios, Texas whether zoning allows a short-term rental at your address and whether you need a permit or hotel tax registration. 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

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