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Kilmarnock vacation rental checklist

Lancaster County, Virginia | Rules checked November 7, 2026

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Kilmarnock allows short-term vacation rentals by right in its R-2, C-1, and C-2 districts and the Steptoe's overlay, and with a conditional use permit in R-1. Rentals owe an 8% town lodging tax on top of 5.3% sales tax.

> These rules come from the town's 2017 zoning change as reported by the Rappahannock Record. Confirm current districts, the tax rate, and any registration with the town before you list.

Licensing steps

COMMONWEALTH OF VIRGINIA

- [ ] **Know who pays the tax**
  When a platform like Airbnb books the stay, it collects and pays the state sales tax and the local lodging tax for you. If guests pay you directly, register with Virginia Tax for sales tax and with your county or city for the transient occupancy tax.
  Register a business with Virginia Tax: https://www.tax.virginia.gov/registering-new-business
- [ ] **Register with your locality if it has a registry**
  Many counties and cities require short-term rental hosts to register every year. Registration is a simple filing (your name, each address, and the owner's permission if you lease the home), but listing an unregistered rental can cost up to $500 per violation.
- [ ] **Check your zoning**
  Counties and cities keep their power to decide where short-term rentals are allowed and whether you need a zoning or use permit. HOA and condo rules still apply on top. Pick your area for the local rules.

LANCASTER COUNTY, VIRGINIA

- [ ] **Then your town or area**
  Towns set their own zoning and lodging tax, and the county sets them outside town limits. Pick your area.

TOWN OF KILMARNOCK

- [ ] **Check your district**
  Ask the town which district your home is in. In R-1 you need a conditional use permit from the town; in R-2, C-1, C-2, and the Steptoe's overlay, rentals are allowed by right.
- [ ] **Taxes on each stay**
  Stays under 90 days owe 5.3% sales tax, and stays under 30 days also owe the local transient occupancy tax. Airbnb collects both on its bookings. If guests pay you directly, file sales tax with Virginia Tax. Kilmarnock charges an 8% lodging tax. For direct bookings, ask the town how to file it and whether the county's 2% also applies.

Official sources

Virginia Tax: Guidelines for sales tax on accommodations (P.D. 21-116)-
. https://tax.virginia.gov/laws-rules-decisions/rulings-tax-commissioner/21-116

Virginia General Assembly: Short-term rental registries (Va. Code § 15.2-983). https://law.lis.virginia.gov/vacode/15.2-983/

Rappahannock Record: Kilmarnock takes action to level playing field among lodging places (April 19, 2017)-
. https://rrecord.com/kilmarnock-takes-action-to-level-playing-field-among-lodging-places/