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Cape Charles vacation rental checklist

Northampton County, Virginia | Rules checked November 7, 2026

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Cape Charles requires a yearly short-term rental zoning permit ($450), a business license, and a building inspection, with notice to the neighbors next door. About 300 rentals are licensed, most in the Historic District and Bay Creek. Stays pay 6.3% sales tax plus town and county lodging taxes.

> The town adopted its rules in November 2024 and revised them in December 2024, dropping a council permit for homes with more than 10 guests. The town's own rental page (capecharles.org) has the current application; confirm fees and districts there.

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.

NORTHAMPTON COUNTY, VIRGINIA

- [ ] **Register for the lodging tax**
  Short-term rental owners must register with the Commissioner of the Revenue for a transient lodging account, collect the lodging tax from guests who book directly, and pay it every quarter. Airbnb collects it on its bookings.
  Northampton vacation rental tax:
  https://northampton.hosted.civiclive.com/business/taxes__payments/transient_occupancy_tax
- [ ] **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 CAPE CHARLES

- [ ] **Get a business license and inspection**
  Apply for a town business license and schedule the building inspection the permit requires. Occupancy is based on the home's legal bedrooms.
- [ ] **Apply for the STR zoning permit**
  Apply to the Planning and Zoning Department, certify that you notified the owners next door, and give the town 24/7 contact information for a responsible person. Provide off-street parking if the property has it. The permit is renewed every year; for 2026 the town moved licensing to its RentalScapes portal.

☐ **Taxes on each stay**
Stays under 90 days owe 6.3% 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. Cape Charles charges its own transient occupancy tax (4% plus $4 a night for rental homes since 2022) and Northampton County adds 2% inside the town. For direct bookings, file the town tax quarterly through the town and the county's 2% with the Commissioner of the Revenue.

Fees

$450 a year plus the business license

STR zoning permit (yearly)	**$450**

House rules for guests

Guests: Set by legal bedrooms
Children 2 and under don't count. Building code limits still apply.

Local contact: Available 24/7
Given to the town.

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/

Northampton County Commissioner of the Revenue: Vacation Property Rental Tax / Transient Occupancy Tax-
. https://northampton.hosted.civiclive.com/business/taxes__payments/transient_occupancy_tax

Eastern Shore Post: Cape Charles changes course on short-term rentals (Jan. 14, 2025). https://easternshorepost.com/?p=69247

Town of Cape Charles Planning & Zoning: Short Term Rental Statistics, town council agenda item (Oct. 16, 2025).
https://mccmeetingspublic.blob.core.usgovcloudapi.net/cpechrlsva-meet-94f77daed17e4c47a40f6b4989b2d274/ITEM-Attachment-001-2aed0f17c61244159ca

Eastern Shore Post: Cape Charles raises taxes to address spending problem (July 1, 2021)-
. https://www.easternshorepost.com/2021/07/01/cape-charles-raises-taxes-to-address-spending-problem/

Shore Daily News: Cape Charles launches STR regulation web page (Feb. 7, 2025)-
. https://shoredailynews.com/headlines/cape-charles-launches-str-regulation-web-page/