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Damascus vacation rental checklist

Washington County, Virginia | Rules checked November 7, 2026

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Damascus voted in September 2024 to allow new short-term rentals only in its commercial and industrial zones; rentals already operating were grandfathered. A July 2026 amendment would let new rentals into residential zones with a conditional use permit and a local contact within 50 miles. Stays pay 5.3% sales tax plus a 7% lodging tax.

A grandfathered rental loses its status if it isn't used for two years, and it can't take away the off-street parking it had on September 9, 2024.

The July 2026 amendment we found is marked "proposed," and parts of it still describe the 2024 ban. Confirm with the town what was adopted.

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.

WASHINGTON COUNTY, VIRGINIA

- [ ] **Then your town or area**
  Towns set their own zoning, and some levy their own lodging tax. Pick your area.

TOWN OF DAMASCUS

- [ ] **Check your zone first**
  New short-term rentals are allowed in the town's commercial districts. In the residential districts, rentals that were operating before September 9, 2024 may continue; new ones need the town's approval, if the July 2026 amendment is in force. Ask the town before you buy.
- [ ] **If you need a conditional use permit**
  The town will look at whether the rental fits the neighborhood and has enough off-street parking, and you need a local contact available around the clock who lives or works within 50 miles. The Planning Commission reviews site plans for new buildings.
- [ ] **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. The county's tax list shows a 7% lodging tax in Damascus. Ask the town where direct bookings file it.

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/

Town of Damascus: Proposed zoning amendment: Articles 8, 15, 16 (transient lodging, conditional use permit).
https://www.damascus.org/uploads/1/3/3/9/133901937/proposed_zoning_appendix_a_articles_81516_transient_lodging_zoning_conditional_use_permit_ame

Washington County, Virginia: Tax Rates. https://www.washcova.com/tax-rates/

SuperTalk 92.9: Change to short term rental ordinance in Damascus (September 12, 2024). https://www.supertalk929.com/?p=55190