



How to Collect and Remit Local Taxes for Short-Term Rentals (STRs) on Vrbo and Airbnb

Local governments often implement local taxes on short-term accommodations including hotels and short-term rentals (STR). These STR owners that are subject to a local tax must collect taxes on bookings and remit them to the appropriate local government authorities where the STR operates. These taxes, calculated on the gross revenues from STR activity, are considered “pass-through” costs, meaning they should be charged to your guests.

- For **direct bookings**, you should collect the tax from your guests, retain it, and remit it directly to the local government.
- For bookings made through platforms like **VRBO and Airbnb**, you must add the tax to your listings on these platforms to ensure it is collected at the time of booking, so you can retain it, and remit it directly to the local government.

It is the responsibility of the STR to collect the tax from renters when they book, hold it securely, and remit it via [Localgov](#) (an online filing & payment portal used by many local governments to administer tax programs) during the required filing period. Follow these steps to remain compliant:

Collecting Local Tax on VRBO

1. Log in to Your Vrbo Owner Account
 - Go to [vrbo.com](#) and log in to your owner account.
2. Navigate to Your Listing
 - From the dashboard, select the property listing you want to update.
3. Update Your Tax Settings
 - Go to Settings > Taxes and Fees.
 - Select Add Tax or Edit Tax Information.
4. Enter Tax Details
 - Name the tax (e.g., “Amarillo City Tax”).
 - Enter the tax rate provided by the local government (e.g., 7%). Ensure you include all applicable city and county tax rates.



- Specify that the tax will be added to the total booking price at the time of payment.
- 5. Save Changes
 - Review your tax setup and click Save. The tax will now be applied to future bookings.
- 6. Inform Renters
 - Clearly communicate to renters that the local tax is included in their total payment at the time of booking.

Collecting Local Tax on Airbnb

1. Log in to Your Airbnb Host Account
 - Visit [Airbnb.com](https://www.airbnb.com) and log in to your account.
2. Access Pricing and Availability
 - From the dashboard, select the listing you want to update.
 - Navigate to Pricing and Availability > Taxes and Fees.
3. Add a Custom Tax
 - Click Add a Tax or Edit Local Tax Options.
 - Input the tax name (e.g., "Amarillo City Tax") and the tax rate (e.g., 7%).
4. Review and Save
 - Ensure that the tax is set to be collected from guests during booking. Click Save Changes to finalize the setup.
5. Verify the Tax Collection
 - Check a test booking to ensure that the local tax is being applied correctly.
6. Notify Guests
 - Use your listing description or a pre-booking message to explain that local taxes are included in the booking total.

Holding and Remitting Taxes to Localgov

1. Collect and Track Taxes
 - Maintain accurate records of all taxes collected for each booking. Use spreadsheets or property management software for tracking.
2. Determine Your Filing Period



- Verify with Localgov the required filing frequency (monthly, quarterly, etc.) for your property's location.
- 3. Log in to Localgov
 - Visit the [Localgov \(https://tax.localgov.org/\)](https://tax.localgov.org/) website and log in to your account.
- 4. File Your Tax Return
 - Add your business from the local government's list
 - Select the local government's tax form to submit
 - Enter all required fields and gross receipts generated during the filing period.
 - Submit the tax return form and attach any necessary documentation.
 - Submit the tax payment through Localgov's secure portal. Ensure the payment is made by the deadline to avoid penalties.

Important Notes

- **Compliance is Mandatory:** Failure to collect and remit taxes may result in penalties, fines, or loss of permits.
- **Stay Informed:** Tax rates and filing requirements can change. Regularly check with Localgov for updates.
- **Seek Help if Needed:** If you need assistance, contact Localgov's support team or consult with a tax professional familiar with STR regulations. Reach out to Localgov Customer Service at (877) 842-3037 or email service@localgov.org.
- **Understanding State vs. Local Tax Responsibilities:** To ensure compliance, it is essential to understand the distinction between state and local taxes. While platforms like VRBO and Airbnb typically collect and remit **state taxes** directly to the state on behalf of short-term rental (STR) owners, they **usually do not** handle **local taxes**, such as city or county taxes. However, there are exceptions in some local jurisdictions and states where these platforms may collect and remit local taxes as well. As an STR owner, you are responsible for verifying whether local taxes are being collected by the platform in your area. In most cases, you will need to add local taxes to your listings, collect them at the time of booking, and remit them to the appropriate local government through Localgov. Misunderstanding this distinction can lead to



non-compliance and potential penalties, so it is critical to address local tax obligations separately from state taxes.

By following these steps, you can ensure compliance with city and county tax requirements and avoid any interruptions to your STR business.