

## Short-Term Rentals

### Short-term Rental Business License and Transient Tax Requirements

If you are operating a short-term rental property in the City of Richmond, such as renting rooms on Airbnb, VRBO and HomeAway, you will need to obtain a business license (unless you satisfy the exemption described below) and collect a transient occupancy tax. The following describes these requirements.

**Business License.** Richmond Municipal Code ("RMC"), Article VII-Businesses, Chapter 7.04 requires that all entities engaged in business within this City have a business license. "Engaged in business" is broad terminology that includes the rental of commercial or residential property, including a short-term rental. Specifically, under Richmond Municipal Code Section 7.04.030, "[e]very person engaged in the manufacturing, wholesaling or retailing business or providing any service to the public or engaging in or conducting any other business not elsewhere in this chapter specifically mentioned shall pay annually a license fee of two hundred thirty-four dollars and ten cents (\$234.10) plus an additional sum of money [where the business has employees]." A separate business license must be obtained and paid for each rental property location (parcel).

Some short-term rentals, however, may be exempt from the business license requirement. Namely, where the income generated within the City by the person or business does not exceed the sum of \$600 for the fiscal year, the short-term rental is exempt. Evidence that the income of the business does not exceed the sum of six hundred dollars for the fiscal year shall be either the previous year's tax return, or, for a new business, a signed declaration stating that the person or business does not anticipate that the income generated within the City will exceed six hundred dollars for the fiscal year. (RMC Section 7.04.160.) Similarly, a short-term rental generating more than \$600 but less than \$1,000 for the fiscal year shall pay a reduced business license fee of one hundred dollars and thirty cents (\$100.30) semi-annually or two hundred dollars and sixty-five cents (\$200.65) annually. (RMC Section 7.04.115.): [Business Licenses](#) [Business License Application](#)

As part of the Business License application process, applicants will be referred to the Planning Division to obtain a Home Occupation Authorization (RMC Chapter 15.04.810) and/or obtain a building inspection prior to issuance of the business license (these items will require additional fees).

**Transient Occupancy Tax.** In addition to the business license requirements, Richmond Municipal Code Chapter 7.88 requires transients to pay a Uniform Transient Occupancy Tax in the amount of 10 percent of the rent charged by the operator for the privilege of occupancy in any hotel. A short-term rental for a period of thirty consecutive calendar days or less falls within the general and broad definition of a hotel as defined in Section 7.88.020(2) of the Richmond Municipal Code. The tax constitutes a debt owed by the transient to the City which is extinguished only by payment to the operator or to the city. The transient must pay the tax to the operator of the hotel at the time the rent is paid. The Municipal Code sets forth additional details regarding collection and payment of the tax. Operators of short-term rentals should refer to Chapter 7.88 of the Richmond Municipal Code. For details and requirements regarding collection of the tax, receipt requirements, registration, posting of a registration certificate, as well as returns and remittance to the tax collector:

[Chapter 7.88 - Uniform Transient Occupancy Tax](#)

[Transient Occupancy Tax \(TOT\) Form](#)

If you have any questions about the above requirements, please call the Revenue Division at (510) 620-6741.