



FREQUENTLY ASKED QUESTIONS:

Short-Term Rental Owners

WHAT IS THE TRANSIENT ROOM TAX THAT LMRC COLLECTS?

The Louisville Metro Revenue Commission collects the imposed Transient Room tax of the rent for every occupancy of a suite, room, or rooms, charged by all persons, companies, corporations, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like or similar accommodations businesses as defined in [KRS § 91A.390\(1\)](#) and [LMCO § 121.01](#). These Transient Room taxes apply to the rent for every occupancy by transient guests who occupy one or more suites or rooms in motor courts, motels, hotels, inns or like or similar accommodations businesses for a consecutive period of 30 days or less. The transient room tax rate is 8.5% of the rent for every occupancy of a suite, room, or rooms.

AS A SHORT-TERM RENTAL OWNER (HOST), WHAT MUST I DO TO COMPLY WITH LMRC TAX REGULATIONS?

The first step is to register for a tax reporting number. Click [here](#) to begin the registration process. You must register for both the Transient Room tax and the Occupational License Net Profit tax.

The TR1M/TR1M-S return is required to be filed monthly and the OL-3 return is required to be filed annually. Your filing requirement begins the day you start short-term rental activity. After you are registered, you can file your returns by clicking [here](#) or by using the forms found on the [Forms and Publications](#) section of our website.

If I am registered for short-term rentals with Metro's Office of Planning & Design Services, why do I need to register with LMRC?

As a short-term rental owner (host) you are required to report and remit Transient and Occupational License Net Profit taxes to LMRC. You are required to submit a monthly Transient return (Form TR1M or TR1M-S) as found in [LMCO § 121.01](#). Due to your business activity as a short-term rental owner, you are also required to file the annual Occupational License Net Profit tax return (Form OL-3). This tax is imposed on every person or business entity engaged in any business, profession, trade, or occupation within Louisville Metro, Kentucky as defined in [LMCO § 110.02](#).

What is considered a Short-Term Rental owner?

A short-term rental is a dwelling unit, such as a residence or apartment, that is rented, leased, or otherwise assigned for a tenancy of less than 30 consecutive days in duration (including listings offered on Airbnb, VRBO, and other online booking platforms) as defined in [LMCO § 115.515](#). All Short-Term Rental owners (hosts) must register with Louisville Metro's Office of Planning & Design Services and the Louisville Metro Revenue Commission. See all other requirements in [LMCO § 115.516-115.522](#).

WHAT IS THE DIFFERENCE BETWEEN THE TR1M FORM AND THE TR1M-S FORM?

The TR1M form should be used by all owners that have permanent guests and is primarily used by hotels. The TR1M-S form is a simplified version that can be used by short-term rental owners and is only for hosts that do not have permanent guests.

WHEN IS THE TRANSIENT ROOM TAX RETURN DUE?

The return and tax due must be filed and paid by the last day of the month following the month of the short-term rental activity. For example, the return and tax for short-term rental activity in May is due by June 30th. See the [LMRC Tax Calendar](#) for current due dates.

WHEN IS THE OCCUPATIONAL LICENSE NET PROFIT RETURN DUE?

The Occupational License Net Profit return must be filed and paid by the due date prescribed in [LMCO § 110.07](#). See the [LMRC Tax Calendar](#) for current due dates.



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DO I HAVE TO FILE A RETURN EVEN WHEN I DO NOT HAVE RENTERS?

Yes, you are required to file a monthly Transient return even if you do not have renters for that month.

WHAT IF I JUST FOUND OUT THAT I SHOULD BE REPORTING TO LMRC?

Your Transient Room tax filing requirement starts the day your short-term rental activity begins. All past due returns should be filed as soon as possible. Past due returns will be subject to penalty and interest. Directions for calculating penalty and interest calculations can be found on the [TR1M/TR1M-S instructions](#).

IF I HAVE MULTIPLE SHORT-TERM RENTAL PROPERTIES OR USE MULTIPLE RENTING METHODS, DO I NEED TO REGISTER AND FILE SEPARATE RETURNS FOR EACH PROPERTY?

No, a short-term rental owner should only register once with LMRC even if they have multiple rental properties or use different renting methods. The TR1M and TR1M-S forms have fields for the host to report rental activity for multiple locations and multiple rental methods. The host should only file one Transient Room tax return per month for all short-term rental activities.

AIRBNB RENTALS

I rent my house on Airbnb. Do they file the Transient Room return on my behalf?

No, Airbnb only collects and remits the tax for the short-term rental owner (host). Airbnb does not fulfill your obligation to file the return. You are still required to register and file the monthly Transient Room return with LMRC.

How will I know the amount of tax Airbnb has remitted on my behalf?

Airbnb provides this information to hosts on the "Transaction History" report through the platform. This report outlines the gross amount the host charged the guest for the stay, and the amount of taxes Airbnb collected and remitted on behalf of the host. The TR1M and TR1M-S forms provide space for a host to identify the portion of tax remitted by Airbnb on their behalf and requires a copy of the Transaction History Report as support.

DO OTHER ONLINE BOOKING PLATFORMS (OTHER THAN AIRBNB) COLLECT AND REMIT TRANSIENT ROOM TAXES TO LMRC?

Airbnb is currently the only online booking platform that collects and remits the Transient Room tax to LMRC on behalf of the host. If the host is renting through any other online platform or some other method, the host is required to remit that portion of the tax along with the Transient Room tax return.