

If I am registered for short-term rentals with Metro Planning and Zoning, why do I need to contact the Revenue Commission?

The Louisville Metro Revenue Commission (LMRC) collects various special license fees authorized by statute (LMG 121). One of these fees is the Transient Room Tax. 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) you are required to report and remit this tax on a monthly basis to LMRC using form TR1M-S if you use Airbnb or any other platform.

Due to your business activity as a short-term rental owner, you are also subject to register and file the annual Occupational License tax return (Form OL-3). This tax is imposed on persons who work and/ or are engaged in any business, profession, trade, or occupation within Louisville Metro, Kentucky.

What action do I need to take with LMRC to comply with short-term rental tax regulations?

The first step is to register for a tax reporting number. This number will be used to file the monthly TR1M-S and the annual OL-3 return. Click [here](#) to begin the registration process to obtain the tax reporting number. In 5-7 business days you should receive a Certificate of Registration with your assigned tax reporting number.

It is important to note the Certificate of Registration will only specifically identify registration for the Occupational License Fee. Registration for the transient room tax will not be identified on the certificate, but you will be registered for that as well.

What is expected after I register with LMRC?

Your filing requirement starts the day that you start your short-term rental activity. You should immediately file any past due TR1M-S returns, even if you have not yet received the Certificate of Registration with the tax reporting number. You can find the TR1M-S form by clicking [here](#).

What if I just found out that I should be reporting to LMRC?

Your transient room filing requirement starts the day your short-term rental activity begins. You would be required to file any past due returns and remit payment. Past due returns will be subject to penalty and interest. Instructions for calculating penalty and interest calculations can be found on the TR1M-S instructions.

How often do I file the TR1M/TR1M-S return?

The TR1M-S return is required to be filed monthly. The return and tax due must be filed and paid by the last day of the month that follows the month of the short-term rental activity in order to avoid penalty and interest. For example, the return and tax for short-term rental activity in May is due by June 30th.

Do I only report when I have renters?

No, you are required to file a monthly return even if you have no renters for that month.

I rent my house on Airbnb. Don't they take care of filing the transient return?

No. Airbnb only collects and remits the tax for the taxpayer (host). Airbnb does not fulfill your obligation to file the return. You are still required to be registered and to file the transient return with LMRC.

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

Airbnb provides this information to hosts using their platform through "Transaction History" report. This report will outline 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.

Form TR1M-S provides 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.

What if I am using an online booking platform other than Airbnb for my rentals?

Airbnb is currently the only online booking platform that LMRC has an agreement for the collection and remittance of the transient tax 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 TR1M-S return.

What if I have multiple short-term rental properties and use multiple renting methods?

The TR1M-S form is designed for the host to report renting activity for multiple locations and multiple renting methods. Each location can be listed separately, and the form provides space for the host to identify any tax payment remitted by Airbnb, and any remaining tax payment due from the host. The goal is for the host to only file one transient tax return per month for all rental activities.