

Short-Term Rental Requirements:

Short-Term Rental Tax applies to businesses engaged primarily in the short-term rental of tangible personal property. If a minimum of 80% of gross rental receipts are for a period of 92 days or less, the business must be registered with the Commissioner of the Revenue and must collect and remit a 1% tax for daily rentals of regular equipment or 1.5% tax for daily rentals of heavy equipment. Merchants meeting the short-term rental criteria must collect a tax on all daily rentals in lieu of personal property taxation on rental property.

According to Virginia State Code § 58.1-3510.4, a business is engaged in short term rental business if:

- *Not less than 80 percent of the gross rental receipts of such business during the preceding year arose from transactions involving the rental of short-term rental property, other than heavy equipment property as defined in subdivision 2, for periods of 92 consecutive days or less, including all extensions and renewals to the same person or a person affiliated with the lessee; or*
- *Not less than 60 percent of the gross rental receipts of such business during the preceding year arose from transactions involving the rental of heavy equipment property for periods of 270 consecutive days or less, including all extensions and renewals to the same person or a person affiliated with the lessee. For the purposes of this subdivision, "heavy equipment property" means rental property of an industry that is described under code 532412 or 532490 of the 2002 North American Industry Classification System as published by the United States Census Bureau, excluding office furniture, office equipment, and programmable computer equipment and peripherals as defined in § [58.1-3503](#) A 16.*

Participation Requirements:

- Annual re-certification is required.
- All applications **MUST** be received in our office no later than March 1st of each calendar year.
- Upon receipt and approval of applications, a short-term rental certificate, welcome letter and (4) quarterly payment coupons will be forwarded to the business address on file.
- A representative will contact you via phone if errors are discovered or the application is incomplete. A response **MUST** be received by the due date provided at that time.

Decertification Policy:

Failure to meet the necessary qualifications by the due date will result in the following actions:

- A decertification letter will be forwarded to the business address on file.
- A classification review will be conducted by COR's Audit team and your taxable rate may increase.
- All assets will be classified and taxed as business tangible property; subject to an assessment value of **40% of original cost**.
- If the current year tangible property is not reported, an assessment will be entered based on a national cost analysis valuation system. (CAVS)
- **You may re-apply for the program one year after decertification**