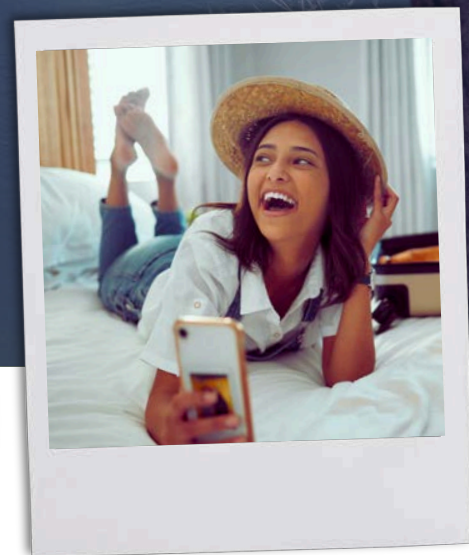


Create their dream vacation

A GUIDE TO SHORT-TERM RENTALS ON LAKE CUMBERLAND



lake **cumberland**
SOMERSET • PULASKI • KENTUCKY

Welcome to The Capital of *Lake* Cumberland!

YOUR TOURISM TEAM



MICHELLE ALLEN
EXECUTIVE DIRECTOR



VAN BACK
ASSISTANT DIRECTOR



KATIE SHEA
INFORMATION SPECIALIST

Whether you're new to the short-term rental industry or looking to optimize your existing property, this guide will help you navigate the essentials of running a successful short-term rental.

Operating a rental property involves more than just creating a welcoming space for guests. It's vital to understand your legal and financial responsibilities, including registering your property and properly collecting and remitting transient taxes. This guide will walk you through the step-by-step process to ensure compliance with local regulations.

Beyond the basics, we'll share expert tips on marketing your rental to stand out in a competitive market. From listing strategies to leveraging social media, we'll help you attract travelers seeking the perfect stay.

Additionally, you'll discover valuable resources offered by the Somerset-Pulaski County Convention and Visitors Bureau, including marketing support and access to tourism data.

With the right tools and knowledge, your short-term rental can become a cornerstone of Somerset-Pulaski County's vibrant tourism industry.

Let's get started!

the guide
TO SHORT-TERM RENTALS

LEGAL REQUIREMENTS

REGISTRATION

PAYING TAXES

OTHER CONSIDERATIONS

MARKETING YOUR PROPERTY



PULASKI COUNTY FISCAL COURT
ORDINANCE NO: 150.1

SECTION III. IMPOSITION OF TRANSIENT ROOM
TAX COLLECTION PROCEDURES; EXCEPTIONS

1 (a). That any person, firm, company or corporation engaged in the rental or offering of rental of suites, rooms or other transient accommodations in Pulaski County first be registered with the Somerset-Pulaski County Tourist Commission and be in possession of a transient tax permit.

(b). For the purpose of operating the recreational, tourist and convention commission and to finance the operation and maintenance of the Somerset-Pulaski County Tourist Commission there is hereby imposed and levied on every person, company, corporation, or other like or similar persons, groups or organizations doing business as motor courts, motels, hotels, inns or like businesses in Pulaski County, a transient room tax of three (3%) per cent of the gross rent for every occupancy of a suite, room or rooms charged and collected.

[Pulaski County Ordinance 150.1](#) establishes the Somerset-Pulaski Tourist Commission and the local transient tax of 3% of the gross rent of every occupancy of a suite, room, or rooms charged and collected.

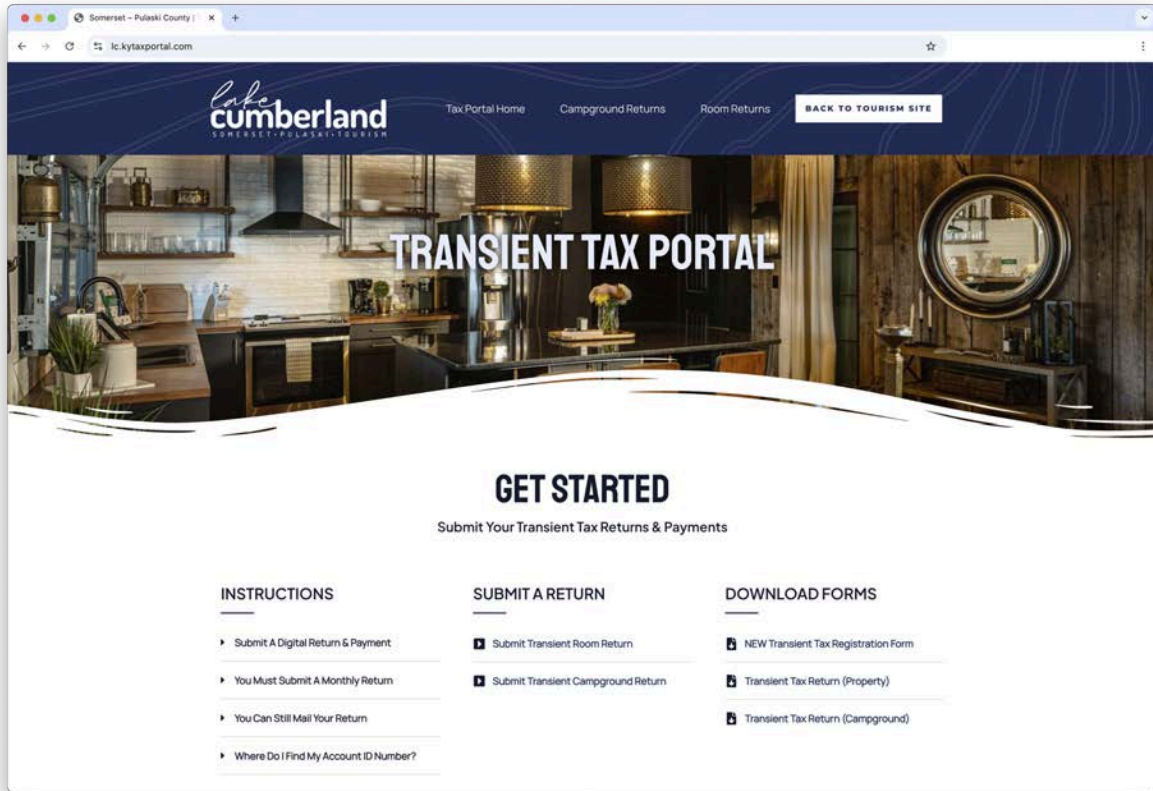
REQUIREMENTS

Apply for a business permit (occupational license)

Anyone that opens a business in Pulaski County must obtain a business permit (also known as an occupational license). You will need to apply for a business permit, that application can be found at <http://tax.pulaskigov.com/>. If you are in the Somerset city limits, an application for that license can be found at <https://www.cityofsomerset.com/city-clerk/#taxes>.

Register with the local convention & visitors bureau

Any person, firm, company, or corporation engaged in the rental or offering of suites, rooms, or any other transient accommodation in Pulaski County **must register** with the Somerset-Pulaski County CVB **within 30 days of commencing business**. You must obtain a transient tax registration permit and property ID/registration from the CVB. It is unlawful to operate a hotel, motel, cabin, campground/RV park or any other transient lodging facility without the required registration after 30 days in business.



Our online portal makes it easy to register your short-term rental and remit your transient taxes.

HOW TO REGISTER

1. Visit www.lc.kytaxportal.com.
 - o Under "Download Forms," choose [Transient Tax Registration Form](#).
2. Complete the selected form and email it to somersetcvb@lctourism.com or mail it to 522 Ogden St., Somerset, KY 42501.

You **must register your property within 30 days of making it available for transient rentals**. Once your registration is received, the CVB will assign you a transient property ID/registration number, which you will need for submitting online transient tax payments.

PENALTIES

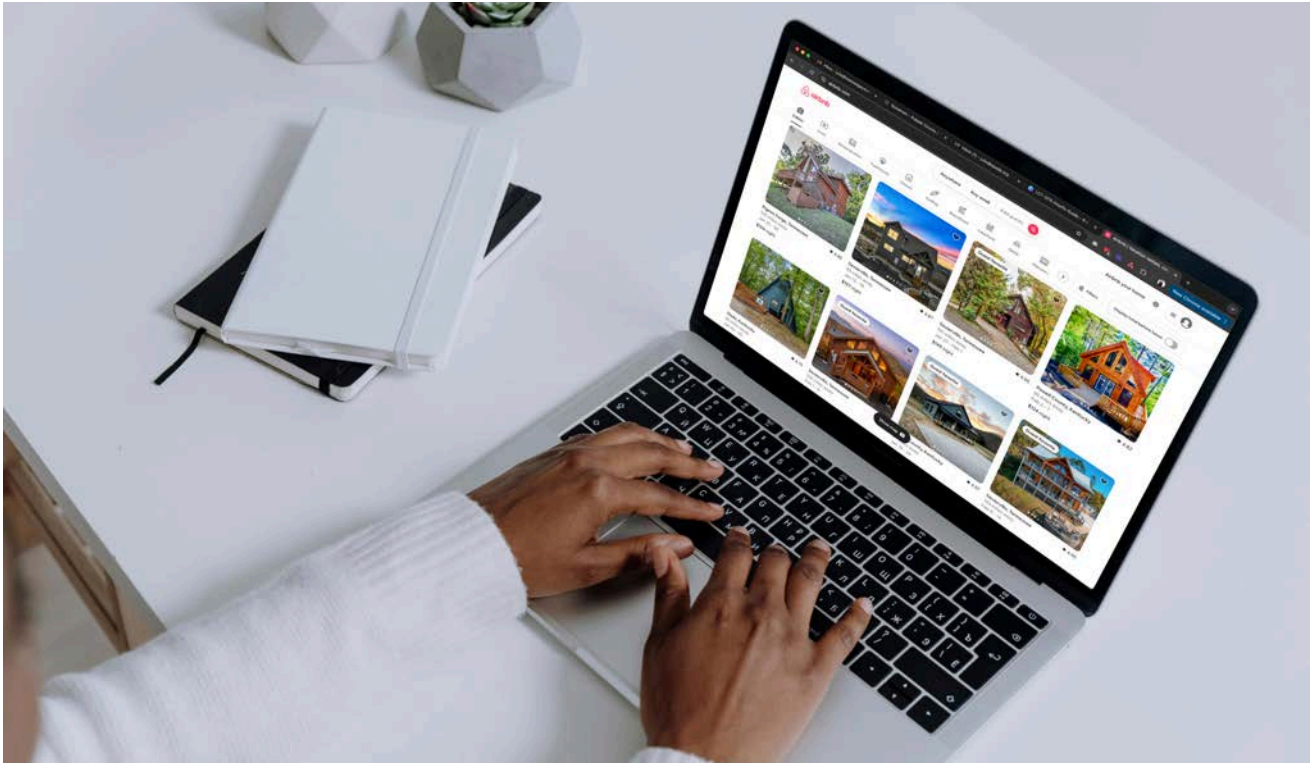
Operating without a valid registration license is a **misdemeanor** punishable by a **fine not exceeding \$500, imprisonment for a term not exceeding 90 days, or both**.



As a short-term rental host, you are required to pay taxes on the rental income you receive. These taxes include:

- 3% Local Pulaski County transient room tax
- 1% Kentucky transient room tax
- 6% Kentucky sales tax
- 4% City of Somerset transient tax
(if rental is located in Somerset city limits)

Any earnings you receive from rentals may also be subject to the local net profits occupational license fee. You will find information about this when you register for your business permit.



PLATFORM - SPECIFIC
GUIDELINES

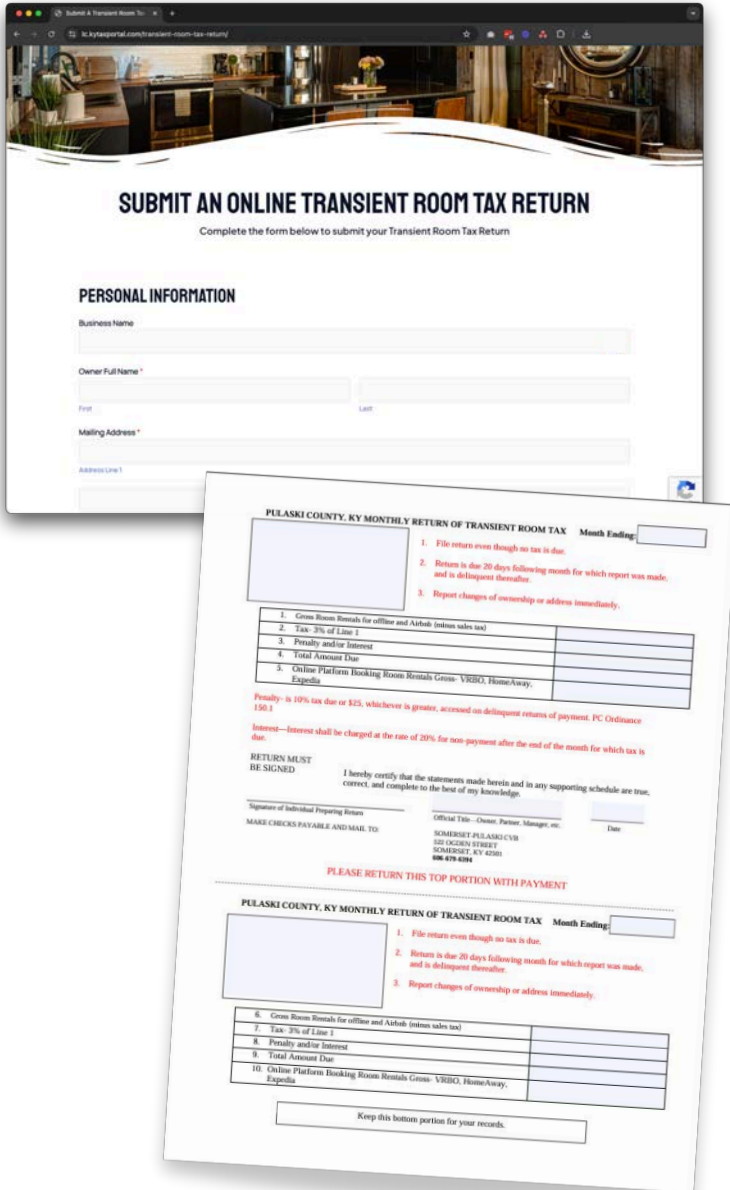
Airbnb: Airbnb collects and remits your 6% state sales tax and 1% state transient tax. However, it does not collect the 3% local transient tax. You must add a 3% tax to your Airbnb listing to charge the customer and remit this tax to the CVB monthly via the online payment platform.

VRBO: VRBO collects and remits your 6% state sales tax, 1% state transient tax, and 3% local transient tax on your behalf. As the owner, you are still required to submit a monthly remittance through the online payment platform to inform the CVB of the total taxes due ONLY from VRBO on your behalf. (E.g., Gross rentals on VRBO are \$1,000, you submit a total tax due from VRBO of \$30- enter \$30.00 into that line item)

Off-Platform Rentals: If you use your own website or other payment methods (e.g., check, cash, electronic payments), you are responsible for collecting and remitting the 3% local transient tax for all rentals through these off-platform rentals monthly via the only payment platform. You are also responsible for collecting and remitting your 6% state sales tax and 1% state transient tax.

Campgrounds: For transient sites, you must charge, collect, and remit the 3% local transient tax for all rentals of less than 30 days. Campgrounds must also collect and remit the 6% state sales tax and 1% state transient tax.

You can pay your transient taxes online or traditionally by mail. Visit <https://lc.kytaxportal.com/> to access the payment portal via desktop or mobile. Then follow the steps below:



Online

1. On your device, click the type of return you are submitting (transient room or campground), and enter the information on each line for your property and tax amount information. The system will automatically calculate your tax for you.
2. You can then choose to pay securely using a debit/credit card.
3. If it is a month without rentals, you simply click the box that says, "Filing a ZERO return."
4. After completing the form and submitting it, you will receive a confirmation email notifying you that your taxes have been received.

By mail

1. A downloadable PDF of the remittance form is also available through our tax portal under "Download Forms."
2. Select the type of return you are submitting (property or campground tax). This PDF is fillable, so you can fill it out on your device.
3. Enter the information on each line for your property and tax amount information.
4. Once it is finished, please print the PDF and mail it to our office.
5. Multiple payment options are available with this method (credit/debit card or check).

it's that easy!

Just a reminder: Please make sure you know your registration number, as it is required on the online form.



Local transient taxes are due on the *20th* of each month

TAX PAYMENT & PENALTIES

Monthly tax remittance: Local transient tax is due on the 20th of each month for the preceding month's rentals (e.g., June's transient tax is due by August 20). If taxes are not remitted by the end of this grace period, a penalty of \$25 or 10% of the total tax due (whichever is greater) will be charged to your account and sent electronically to the email on file. Additionally, interest will be charged at a rate of 20% to your account each 30 days the remittance is late. After 90 days of nonpayment, your operator's license may be revoked, and both criminal and civil penalties will be enforced.

Zero rentals: If there are no rentals in a given month, you are required to still submit a zero return via the online payment portal by checking the "I am submitting a zero return" box.

VRBO-only rentals: If you exclusively use VRBO and owe no additional taxes, access the online payment portal, check the "I am submitting VRBO totals only" box, enter the total tax due from VRBO, sign, and submit.

Ceasing operations or transferring business: If you cease operating your business, all remittances and taxes are due within 30 days of cessation. Additionally, notify the CVB within 30 days of selling, transferring, or terminating your business, providing the name and address of the purchaser.

As with any business, there are other considerations you should be aware of when operating a short-term rental. Consider consulting with a legal advisor for assistance with any legal issues that may be involved with this type of business. Some of these considerations include:

Zoning regulations: If you have questions about what zoning regulations exist in your location, please contact Planning and Zoning at 606.679.6366.

Insurance: Review your insurance policies and consult with your agent to make sure that they cover injuries, accidents or losses arising from the use of the property by renters.

Renting/subleasing: If you rent your apartment, townhouse, home, etc., check with your landlord before using it as a short-term rental. Many rental properties are not open to short-term subleasing/renting. If short-term leasing/renting is allowed, be sure to get the agreement in writing from the property owner so that there are no disputes down the road.

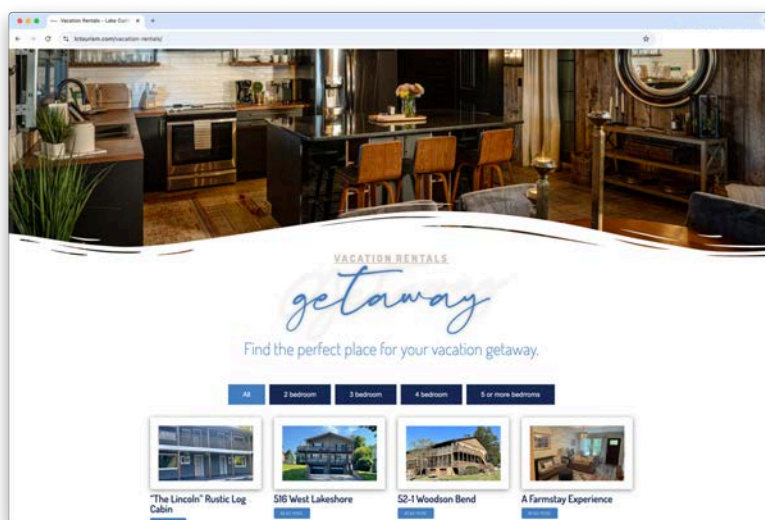
Restrictive covenants: Review your property deed for restrictive covenants. Owners who live in a development or subdivision with a deed of restriction covenant should determine if the covenant regulates rental activity.

Occupancy agreements: This is optional but consider seeking legal advice to determine if a different form of ownership is needed to provide anonymity or protection from individual liability and to prepare an occupancy agreement specific to the arrangement the owner wishes to establish with the renter.



We want you to be successful as you begin your short-term rental adventure! Marketing your property is essential, as well as making sure your visitors have a first-class experience. In addition to the listing platform you use to book rentals, here are some other ways you can make your property stand out:

Let us list your property!



On our website, lctourism.com, we have a robust, searchable listing of all vacation rentals in Somerset-Pulaski County. Just send an email to somersetcvb@lctourism.com with details about your rental (amenities, number of rooms, proximity to local attractions, etc.), photos, and a link to where you want people to book. We will list it on our website free of charge!

Don't be afraid to utilize other platforms to market your short-term rental.

Create a booklet or have a QR code inside your rental that visitors can use to find out more information such as restaurants, things to do, etc. You can also always direct them to lctourism.com and seesomerset.com, as both have robust events calendars and listings of restaurants, attractions and more.

Identify what makes your property unique and advertise that!

Give your rental a unique name and create a social media presence to showcase photos of your space and testimonials from happy guests!

Happy renting!

lake
cumberland
SOMERSET • PULASKI • KENTUCKY

606.679.6394 lctourism.com    #seelc