

**City of Alexandria, Virginia
 FY 2025 Proposed Operating Budget & CIP
 Budget Questions & Answers**

March 22, 2024

Question:

Are there taxes or fees charged by our comparator jurisdictions on short-term rental units (Airbnbs, etc) that we do not levy in Alexandria?

Response:

All leases and rentals of tangible personal property in Virginia are subject to Virginia sales tax unless an exemption or exception is established. All Northern Virginia jurisdictions have a 6 percent Sales Tax rate (1% Local Sales Tax, and 5% State Sales Tax) but each jurisdiction’s transient occupancy tax rate may differ.

Jurisdiction	Transient Occupancy Tax Rate (Local)	Transient Occupancy Tax Rate (State, Regional Transportation)	Total Transient Occupancy Tax
City of Alexandria	6.5% + \$1.25 per night	3.0%	9.5% +\$1.25 per night
Arlington	5.25%	3.0%	8.25%
Fairfax County	4.0%	3.0%	7.0%
Loudoun County	5.0%	3.0%	8.0%
Prince William County	5.0%	3.0%	8.0%

Business, Professional, and Occupational Licenses (BPOL) may be charged on the rentals, but only if the operator rents more than four residential properties. In the City of Alexandria, short-term rental properties do not require zoning or permitting approvals, but any normal zoning or permitting provisions would still apply. All of the above-listed Northern Virginia jurisdictions regulate short-term rentals through their zoning ordinances. All of the above-listed Northern Virginia jurisdictions regulate short-term rentals through their zoning ordinances. In response to a City Council request, staff will be adding a short-term rental study to the 2024 work program and is working on a memorandum to Council outlining the study's parameters.