HOUSING · ASHEVILLE, NC

The Tax No One Can *Count*

Nobody can tell you how many short-term rentals are in Buncombe County, or how much tax they really pay. That sounds like a scandal. It is something stronger: the law working exactly as written, keeping the tax money away from the housing everyone wants to spend it on.

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Sources & notes (39 linked documents) · PDF version

THE PROBLEM

Counting the short-term rentals in Buncombe County should be easy. Back in 2023, Asheville Watchdog went looking and found the county cannot count them and does not typically audit the tax paid on them. We filed a public records request in July 2026 to see what had changed since then. Most of what Asheville Watchdog found still holds.

Short-term rentals are not a small corner of the economy. They brought in $192.8 million from July 2025 through May 2026, about 37 percent of all lodging sales here. At the county's 6 percent room tax, that is roughly $11.6 million in public money. Much of it arrives in monthly lump sums from booking sites like Airbnb and from rental agencies.

Book through Airbnb or Vrbo and the tax is collected automatically, so most of the money may well come in. But no one can match a payment to a house, and anything booked off-platform runs on the honor system. The county cannot fully see this money, and it cannot spend it on housing. Both of those were decided in Raleigh.

The room tax is real, and it is large, and by law almost none of it can go to housing.

WHAT NO ONE CAN COUNT

A tax on rentals *nobody has a list of*

Who counts Buncombe's short-term rentals, and who collects the tax on them?

To be only real government count of short-term rentals here is the City of Asheville's permit roll. It covers only homestays inside the city, rentals in homes the owners live in. There are under 1,000 of them. Everything else, the whole-house rentals and every listing out in the county, goes uncounted. One reason is state law. A 2022 court decision, Schroeder versus Wilmington, held that North Carolina forbids a local government from making rentals register. The state law makes an exception only for individual properties: those with repeated code violations that were not corrected, or those that rank in the top 10 percent for crime or disorder under a local ordinance. None of that would add up to a county count. A town or county may still require a zoning permit to run a short-term rental, so long as the permit is not a registry in disguise. A permit like that is how Asheville keeps its homestay roll.

After Hurricane Helene, Buncombe County put its own plans for short-term-rental rules on hold. The best county-wide number, around **5,400** in 2024, is an estimate a private company builds by scraping Airbnb and Vrbo from the outside. The Tourism Development Authority, the board that runs Explore Asheville, said listings were down about a fifth through June 2025.

The platforms collect the tax on rentals the county cannot count. Under state law, Airbnb and Vrbo add the 6 percent at checkout and send in the tax on their hosts' rentals. Buncombe has received the tax from Airbnb since 2015. At first Airbnb paid under an agreement it made with the state that year, and since 2020 it has paid under the law. But Asheville Watchdog reported in 2023 that Airbnb pays in a lump sum that does not name the properties. A UNC School of Government professor wrote in 2022 that some North Carolina tax collectors see every home owner filed under one address, 888 Brannan Street, Airbnb's San Francisco headquarters.

The room tax is also known as the occupancy tax, and the people and companies that send it in are called remitters. In 2026 we asked the county how many of them it had audited in the last five fiscal years. It answered: none. The county's books carry 374 active occupancy-tax accounts, counted on a single day in June 2026. One account can stand for hundreds of houses, because a platform sends in the tax for all of its hosts at once. Pay the owner directly, off any platform, and the owner owes the tax, on the honor system. Pay a local rental agency and the agency owes it.

Why does a nine-figure business run on the honor system? The checks that would show who is renting out a house are either illegal or not required. A registry of the county's rentals is the illegal part: the same state law stops any North Carolina town or county from making rentals register. Naming the properties is the part the law does not require. Airbnb collects the tax because state law, since 2020, makes the platform that takes the guest's payment responsible for it. The tax returns the law asks for must state the month's total sales. As Asheville Watchdog reported, Airbnb's confidential 2015 agreement with the state lets the company leave the properties unnamed.

Nothing in the law forbids the county from auditing a remitter. Under the state's tax-secrecy law, the county can get a list of names. Once a year, the Department of Revenue may give a county the names, addresses, and identification numbers of retailers who collect the state sales tax and may owe the county's room tax. Each year it may also include those it has audited for sales and use tax, when the results may matter to the county. A platform that collects for its hosts counts as one of those retailers, so the list names the platform, not the thousands of hosts behind it.

For any one short-term rental in Buncombe, the county can't tell who is responsible for the tax. The platform collects it but names nothing. The owner owes it on a direct booking, but there is no public list of the county's rentals and who owns them. The county banks it, and could audit it, but has nothing to audit a platform's payment against. The tourism authority spends it but never sees which rentals it came from. Whether all the dollars show up, no one can say.

$192.8M
short-term-rental lodging sales, July 2025 through May 2026, about 37% of all lodging sold
BUNCOMBE COUNTY TDA, JUNE 30 2026 STATEMENT (PRELIMINARY)

~$11.6M
occupancy tax on those rentals at 6%, worked out from the county's own figures, July 2025 through May 2026
BUNCOMBE COUNTY TDA, JUNE 30 2026 STATEMENT (PRELIMINARY)

~890
active city homestay permits, the only hard count, against roughly 5,400 estimated county-wide in 2024
CITY OF ASHEVILLE / ARDNA

WHERE IT CANNOT GO

The money, and the *doors closed* to it

What does state law let the room tax pay for?

By the authority's own books, the room tax brought in about $34 million in the year from July 2023 through June 2024. Helene knocked it down to about $26 million the next year, and it is now climbing back. It goes to the Tourism Development Authority, not to the county's general fund. And state law limits it to one job: bring in more visitors. That is not a conspiracy against Asheville. It is how most of North Carolina's room-tax laws work. Asheville Watchdog reported in 2020 that the travel industry has long steered how that money may be spent. The same report found neighboring states doing it differently: in Pigeon Forge, Tennessee, half the room tax went to the public schools, and in Charleston, South Carolina, half paid for tourism-related services such as downtown policing.

By design, housing is left out of what the tax is allowed to pay for. So is most of what tourism wears out. The tax can build things for visitors, such as a ballpark, a greenway or a venue, because those count as bringing more of them in. The water lines, the trash pickup, and the police and fire coverage that all those visitors lean on do not count, and neither do schools.

There is one narrow opening. In 2022 the county's legislators in Raleigh cut the share that goes to marketing from three-quarters to two-thirds. That two-thirds now also covers the authority's administrative costs. The legislators split the rest evenly between that existing fund for tourism projects and a new pot called the LIFT fund. The LIFT fund is for projects that must do both: bring more business to lodging, meeting and convention facilities, and benefit the community at large.

Advocates tested the LIFT fund. A 2024 a housing group asked LIFT for **$1.5 million** to build apartments at a site called Star Point. Separately, more than 2,000 people signed a petition asking the fund to pay for housing for service workers, arguing that such housing meets the fund's terms. The authority turned Star Point down in April 2024. It funded the trails and conservation land in a separate county project, Ferry Road, and cut that project's housing out. The authority's president declined to say whether the vote meant housing could not qualify. Earlier that month the North Carolina Restaurant and Lodging Association had warned that paying for housing could draw a lawsuit.

Then the legislature moved to close even that opening. In May 2026 the state Supreme Court sided with Currituck County on the coast, ruling that under the county's own room-tax law its commissioners could spend the money on public safety. The legislature answered within weeks with Senate Bill 484, a statewide law. The governor signed it on June 22, 2026, and it applies to money collected from that day on. It bars the tourism-related share of occupancy-tax money from paying for services a county ordinarily provides its residents, or for purposes designed for or mainly benefiting residents unless a local act from the legislature explicitly allows it. Among those uses it names affordable housing directly, alongside trails, pickup, water, fire protection, public safety, and schools. One of Asheville's own senators said it slams the door pretty hard. Vic Isley, who runs the tourism authority, was blunter. She said she thinks Senate Bill 484 makes it very clear that you cannot use the occupancy tax for affordable housing.

6%
room-tax Buncombe collects on hotel and short-term-rental nights
BUNCOMBE COUNTY

2 of 3
dollars still routed to tourism promotion and administration
S.L. 2022-40 / UNC SCHOOL OF GOV'T

$1.5M
affordable-housing request the tourism board turned down in 2024
WHQR, 2024

FOLLOW THE MONEY

Where a room-tax dollar can go, and where it can't

~$34M / year

6% room tax on hotel and short-term-rental nights, sold by the Buncombe County Tourism Development Authority

2/3
MARKETING AND ADMINISTRATION
Explore Asheville, *selling the city to the rest of the country.*

1/3
TOURISM PROJECTS

TOURISM PRODUCT DEVELOPMENT FUND
Ballparks and venues. $12.4M in 2025.

LIFT FUND
The one fund that must also benefit the community.

✕ AFFORDABLE HOUSING: BLOCKED
For money collected from June 22, 2026 on, SB 484 bars the tourism-related share of this money from paying for affordable housing and other uses that serve residents, such as trash pickup, water, fire protection, police and schools, unless a local act explicitly allows it. A $1.5M request (Star Point) was turned down in 2024.

Sources: Buncombe County TDA, S.L. 2022-40 (the 2/3 and 1/3 split); Explore Asheville (2025 TPDF awards); WHQR (2024 LIFT round); S.L. 2026-18 (SB 484). The $34M is from the TDA's own statements, July 2023 through June 2024, local to Buncombe County.

THE REAL FIX

And it is *not in the county's hands*

What would it take to make tourism pay for housing?

Even if every dollar could go to housing, and it cannot, $30-odd million a year is real money but not a cure. In May and June 2026 the city committed about $17.9 million from its federal disaster-recovery grant to three projects with 331 new affordable units. One of them is District East Commons, with 93 units. That project needed **tax credits** from the state's housing finance agency before it could begin. In August 2026 it did not win them. The region needs more than 34,000 homes over five years. Tourism money turned toward housing would help around the edges, but it would not close a shortage that size on its own.

The slogan *tax the tourists* needs an edit: the tourists are already taxed. The step that would actually move money is narrower, and it won't fit on a sign. The same law that bars spending on housing leaves one door open: a local act, passed in Raleigh for Buncombe by name, can grant an exception. That's the one move that would work, and it's an uphill fight. The legislature that would have to pass it approved Senate Bill 484 in June 2026, 109 to 3 in the House and 46 to 1 in the Senate. The same month it passed a separate measure to exempt Currituck County. But Julie Mayfield, the Buncombe senator who cast the Senate's one no vote, said she expects fewer exceptions like that from here on.

THE POINT

The money is real. The *permission* isn't.

Asheville already taxes its visitors, and the take runs into the tens of millions. But state law keeps almost all of it for a single job, bringing in more visitors. The one share of it that reaches the community pays for projects like trails and conservation land, not homes. Spending the room tax on housing was only ever a narrow opening, and in June 2026 the state moved to shut it unless a local act explicitly allows that spending.

The way to make tourism pay for housing is to win an exception in Raleigh, from the same legislature that made the rule stricter. That's a harder ask than demanding the county do what it can't, and it's the only one that leads to housing.

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