

Bed & Breakfasts

Getting Started

A **Bed & Breakfast** is a home offering up to eight guest rooms for rent with no more than 20 visitors at one time. The rooms must be inside the owner's personal residence, occupied by owner at the time of rental, and the only meal served to guests is breakfast. See [Wisconsin Administrative Code ATCP 73](#) for all health regulations.



Some Dane County municipalities have enacted ordinances that strike a balance between the competing rights of property owners. These ordinances offer reasonable restrictions to ensure that neighbors retain the right to control the type of neighborhood they are living in.

State Regulations protect the rights of neighbors, guests and owners while protecting public health, safety, well-being and prosperity. Local Regulations allow homeowners to increase their income while preventing or limiting negative effects for their neighbors.



Public Health Laws

Bed & Breakfast License

Homeowners are required to obtain a Bed & Breakfast license from [Public Health Madison and Dane County](#) prior to offering a room to visitors. A pre-inspection must be completed to approve the new license. The licensing year is from July 1 until June 30 of each year. A health inspection will occur once every licensing year after that to ensure continued compliance with the law. If an initial license is approved in April, May or June, the license will be valid until the end of the following licensing year, on June 30.



Tax Laws

Municipal Room Tax

Room tax must be collected from visitors if required. Check with your local clerk to see if room taxes are required in your municipality. Airbnb automatically collects and submits room taxes from City of Madison bookings so no additional room tax payments are necessary if renting solely through Airbnb in the City of Madison. Certain government and nonprofit employees are exempt from paying room tax under particular circumstances. Learn when [Room Tax Exemptions](#) apply to guests.

Wisconsin Sales Tax

Bed & Breakfasts must report and pay Wisconsin sales tax. Dane County is subject to 5.5% sales tax (5% state, 0.5% county). Exception: If a host's taxable sales are less than \$1,000 in a calendar year, an occasional sales exemption may apply to the sales. For more information, see [Exception](#).



Zoning Laws

City of Madison

[Find what zoning district you live in](#). Bed & Breakfasts require a [Conditional Use approval](#) in the following zoning districts: LMX, UOR, DR1, DR2 and all other residential districts. This process requires approval by the City's Plan Commission. Bed & Breakfasts are a Permitted Use in Zoning Districts A, CC, CC-T, DC, NMX, MXC, TSS, and UMX.

City of Madison Zoning District Information:

- [Find the zoning for your property](#)
- [Zoning District Descriptions](#)
- [Zoning District Map](#)

Dane County *(Outside the City of Madison)*

If you live outside the City of Madison, check with your local clerk for zoning restrictions which may apply. Zoning restrictions vary by local governmental bodies.

Other Considerations

Check other contracts and rules you may be subject to, such as tenant organizations, lease agreements, cooperative, cohousing, condominium and homeowner association rules.



Costs to Operate a Bed & Breakfast

Item	Fee
Wisconsin Seller's Permit	\$20
City of Madison Room Tax Registration*	\$2
Conditional Use approval if required *†	Varies
Public Health Madison & Dane County (PHMDC) Initial Licensing Fee (includes a one-time \$375.00 pre-inspection fee)	\$535
PHDMC Bed and Breakfast License Annual Renewal Fee	\$160
Additional local fees*	Varies

* Cost varies by local government. Check with your local clerk.

† City of Madison: Required in some zoning districts. Cost is \$600 plus \$100 for each acre of land in excess of one acre, up to a maximum of 20 acres or \$2,500.