START A BUSINESS - ARKANSAS

How to open an auto repair shop in Arkansas

We found no Arkansas State repair shop license; the key rule is sales tax: repair labor is taxable.

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1 Is a repair shop right for you?

Repair shops diagnose and fix vehicles, from maintenance and brakes to engines and collision repair. It suits experienced technicians who price fairly and keep good records.

2 Form the business and register for sales tax

1. Choose a structure. Register your business with the Arkansas Secretary of State.
2. Get a retail permit from the Department of Finance and Administration. Arkansas taxes repair, cleaning and towing of vehicles.
3. Check your city or county for local licenses and zoning.

3 Licenses

We found no Arkansas State license for repair or body shops. Check your city or county for licenses and zoning.

4 Sales tax on repairs

Arkansas taxes the installation, cleaning, refinishing and repair of motor vehicles, so collect sales tax on repair labor as well as parts.

5 A/C work

Servicing vehicle air conditioning for pay requires EPA Section 609 certification.

6 Your first steps

1. Form the business and register with the Department of Finance and Administration.
2. Check local licenses and zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on repair labor and parts

Required - State - Arkansas Department of Finance and Administration

Arkansas taxes the installation, alteration, cleaning, refinishing, replacement and repair of motor vehicles, so collect sales tax on repair labor as well as parts.

EPA Section 609 certification for air conditioning work

Required in some cases - Federal - U.S. Environmental Protection Agency

Anyone who repairs or services a motor vehicle air conditioning system for payment or bartering must be certified by an EPA-approved Section 609 program. We found no Arkansas State license for repair or body shops.

Official agencies and links

Section 609 Technician Training and Certification Programs
U.S. Environmental Protection Agency
https://www.epa.gov/mvac/section-609-technician-training-and-certification-programs

26 CAR 30-502, Services subject to tax: taxable services
Code of Arkansas Rules (Department of Finance and Administration)
https://codeofarrules.arkansas.gov/Rules/Rule?levelType=section&titleID=26&chapterID=33&subChapterID=241&partID=971&subPartID=9363&sectionID=629

Frequently asked questions

Is repair labor taxable in Arkansas?

Yes. Repairs to vehicles are taxable, labor included.

This guide is general information, not legal advice. Rules change and can depend on your city or county, so confirm with the official agencies linked below before you apply.

https://nearbycarcare.com/resources/business/open-auto-repair-shop/arkansas/