START A BUSINESS - DISTRICT OF COLUMBIA

How to open an auto repair shop in DC

DC repair and body shops need a DLCP Consumer Goods (Auto Repair) license with a $2,000 or $5,000 bond and written estimates; 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. LLCs and corporations register with DLCP's Corporations Division.
2. Register with the Office of Tax and Revenue to collect DC sales tax and get a Clean Hands certification. Repair services are taxable, labor included.
3. Check your city or county for local licenses and zoning.

3 DLCP auto repair license

Repair, servicing, painting, cleaning and similar vehicle work needs a Consumer Goods (Auto Repair) basic business license from DLCP, applied for online at BOSS. You need a certificate of occupancy, tax registration and Clean Hands certification, written estimates, a final bill and a surety bond for the two-year license: $2,000 with five or fewer employees, $5,000 with more.

4 Sales tax on repairs

DC treats charges for repairing property or installing replacement parts as retail sales, whether or not parts are transferred. Collect DC sales tax on both parts and labor.

5 A/C work

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

6 Your first steps

1. Register the business and taxes; get Clean Hands.
2. Get a certificate of occupancy.
3. Get the bond and apply at BOSS.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on repairs, labor included

Required - State - DC Office of Tax and Revenue

In DC, charges for repairing tangible personal property, or installing parts as repairs or replacements, are retail sales whether or not parts are transferred, so collect sales tax on repair labor as well as parts.

DLCP Consumer Goods (Auto Repair) license and bond

Required - State - DC Department of Licensing and Consumer Protection

Repair, servicing, painting, cleaning and similar vehicle work in DC needs a Consumer Goods (Auto Repair) basic business license from DLCP: certificate of occupancy, tax registration and Clean Hands certification, written estimates, a final bill and a surety bond for the two-year license ($2,000 with five or fewer employees, $5,000 with more). Apply online at BOSS.

Amount: $2,000 or $5,000 bond
Official application: https://dlcp.dc.gov/node/1618741

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.

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

D.C. Code 47-2001, Sales tax definitions (retail sales of services)
Council of the District of Columbia
https://code.dccouncil.gov/us/dc/council/code/sections/47-2001

Consumer Goods (Auto Repair) business license
DC Department of Licensing and Consumer Protection
https://dlcp.dc.gov/node/1618741

Frequently asked questions

Do DC repair shops need a license?
Yes. A DLCP Consumer Goods (Auto Repair) license with a $2,000 or $5,000 bond.

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/district-of-columbia/