START A BUSINESS - IDAHO

How to open an auto repair shop in Idaho

We found no Idaho State repair shop license; the key rule is sales tax: parts are taxed and itemized labor is not.

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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 get a seller's permit

1. Choose a structure. LLCs and corporations file with the Idaho Secretary of State.
2. Get an Idaho seller's permit from the State Tax Commission and collect sales tax on parts and goods.
3. Check your city or county for business licenses and zoning.

3 Licenses

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

4 Sales tax on repairs

Repair labor is not taxable if you list labor and parts separately on the invoice; only the parts are taxed. If you combine them, tax applies to the whole amount. Fabrication labor is taxable even when listed separately.

5 A/C work

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

6 Your first steps

1. Form the business and get a seller's permit.
2. Get local business licenses and check zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on parts; separate labor

Required - State - Idaho State Tax Commission

In Idaho, repair labor is not taxable if repair labor and parts are listed separately on the invoice; only the parts are taxed. If parts and labor are combined, tax applies to the whole amount. Fabrication labor is taxable even when listed separately.

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 Idaho 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

Repair Shops (sales and use tax guide)
Idaho State Tax Commission
https://tax.idaho.gov/taxes/sales-use/guides-for-certain-groups/repair-shops/

Frequently asked questions

Is repair labor taxable in Idaho?

No, when it is itemized separately from the parts. An unitemized bill is fully taxable.

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.