START A BUSINESS - NEW YORK

How to open an auto repair shop in New York

Form the business, get your Certificate of Authority first, register the shop with the DMV, prove zoning, post the official signs and follow the estimate and invoice rules.

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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 and managers who can price jobs fairly, explain repairs clearly and keep good records.

2 Form the business and get a Certificate of Authority

1. Choose a structure. An LLC files Articles of Organization with the Department of State ($200), then within 120 days publishes notice of its formation in two newspapers and files a Certificate of Publication ($50); if it does not, its authority to do business is suspended. A sole proprietor or partnership using an assumed name files a business certificate with the county clerk.
2. Register for sales tax through New York Business Express at least 20 days before you start, and wait for your Certificate of Authority. Display it where you do business. Operating without one can cost up to $500 for the first day and $200 for each day after, up to $10,000.

3 DMV repair shop registration

Every business that repairs or diagnoses vehicles for compensation, or appraises damage, must be registered with the DMV, including body shops. Businesses that only fuel, change oil, batteries or tires, replace belts, filters, wiper blades or bulbs, or polish and wash are excluded.

Apply with the Original Facility Application (VS-1), your Certificate of Authority (do not apply without it), proof of right to use the property, zoning proof, workers compensation proof and IDs. The fee is $10 plus $150 for a two year registration per location.

4 Zoning and location

The DMV needs zoning proof under 10 years old from your municipality allowing a repair business at the address. In Queens, Kings, Richmond, Bronx and New York counties, a Certificate of Occupancy stating the exact location is required. You also need an exclusive mailing address.

5 Air conditioning work

If you service A/C, send the DMV a certificate or invoice for approved refrigerant recycling equipment, and make sure technicians hold EPA Section 609 certification.

6 Signs, estimates and records

Post the official indoor sign, a kelly green outdoor sign 3 by 2 feet with your registration number, and a sign explaining how labor is charged. Get the customer's authorization before repairs, never exceed the written estimate without consent, and keep invoices, estimates and work orders for two years.

7 Sales tax

Collect sales tax on the total charge for parts and labor, including insurance repairs. A New York State inspection charge is not taxable, but repairs needed to pass are. Buy parts that go to customers with Form ST-120; tools and shop supplies are taxable to you.

8 Your first steps

1. Form the business and get your Certificate of Authority.
2. Confirm zoning and sign a lease that allows repair work.
3. Apply for DMV repair shop registration.
4. Order signs and set up estimates, invoices and records.
5. Consider an inspection station license.
6. List your business on Nearby Car Care

Requirements at a glance

Form the business (Department of State or county clerk)

Required - State - New York Department of State; your county clerk

Corporations and LLCs file with the New York Department of State; an LLC files Articles of Organization and then, within 120 days, publishes notice of its formation in two newspapers and files a Certificate of Publication, or its authority to do business is suspended. Individuals or partnerships using an assumed name file a business certificate with the county clerk. The DMV asks facility applicants for the DOS filing receipt or the county business certificate.

Fees: LLC Articles of Organization: $200. Certificate of Publication: $50 (newspaper costs are extra).

Official application: https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Sales Tax Certificate of Authority

Required - State - New York State Department of Taxation and Finance

If you will make sales subject to sales tax, register with the Tax Department through New York Business Express at least 20 days before you begin business and wait for your Certificate of Authority. Display it at your place of business (or in your vehicle if you have no fixed location). The rate depends on the location; use the Department's rate lookup by address.

Fees: Operating without a Certificate of Authority: penalty up to $500 for the first day and up to $200 for each later day, up to $10,000; $50 penalty for not displaying it.

Collect sales tax on parts and labor

Required - State - New York State Department of Taxation and Finance

You must collect sales tax on the total charge for parts and labor and on parts and supplies sold to customers. Insurance repairs are taxable. The charge for a New York State inspection is not taxable, but repairs needed to pass are. Parts and supplies that go to the customer can be bought with Form ST-120 (Resale Certificate); tools, equipment and shop supplies are taxable to you.

The bulletin also says you may be responsible for the New York State Waste Tire Management Fee.

DMV repair shop registration

Required - State - New York State Department of Motor Vehicles

Every motor vehicle repair shop must be registered: anyone who, for compensation, repairs or diagnoses vehicle malfunctions or repairs bodies, fenders or other components, and any shop that appraises vehicle damage. Exclusions include employees of a registered shop and businesses that only fuel, change oil, water, batteries or tires, replace belts, filters, wiper blades or bulbs, polish and wash, or work only on parts removed by others.

Fees: $10 nonrefundable application fee plus a $150 registration fee valid for two years for each location (refunded if the location is denied).

Copies of invoices, estimates and work orders must be kept for two years. Customers must authorize repairs, and the bill cannot exceed the written estimate without consent.

Official application: https://dmv.ny.gov/business/open-a-repair-or-body-shop

Zoning proof and right to use the property

Required - Municipal - Your city, town or village

The DMV requires proof of zoning, not more than 10 years old, from the municipality allowing an automotive repair business at your location, and proof of your right to use the property. A Certificate of Occupancy stating the exact location is required in Queens, Kings, Richmond, Bronx and New York counties.

Refrigerant recycling equipment proof and EPA 609 certification

Required in some cases - State - New York State Department of Motor Vehicles; U.S. Environmental Protec

If you service air conditioning, the DMV requires a manufacturer's certificate or invoice for approved refrigerant recycling or recapturing equipment (Vehicle and Traffic Law 398-c). Federally, anyone who services vehicle air conditioning for payment must be certified by an EPA-approved Section 609 program.

Official repair shop signs

Required - State - New York State Department of Motor Vehicles

Post the official indoor repair shop sign where customers can see it, an outdoor sign three feet wide and two feet high with a kelly green background showing REGISTERED and your registration number, and a sign at least 8 1/2 by 14 inches explaining how your labor charge is computed. The DMV does not sell outdoor signs; sign shops and automotive suppliers do.

Inspection station license (only to perform state inspections)

Optional - State - New York State Department of Motor Vehicles

Needed only if you will perform New York State inspections. A public inspection station must also be a registered repair shop at that location, employ a certified inspector, have computerized NYVIP3 equipment (required since December 1, 2023), and pass an on-site investigation. A cap on public emissions inspection stations may apply.

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 trained and 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

Articles of Organization for Domestic Limited Liability Company
New York Department of State, Division of Corporations
https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Motor Vehicle Repair Shop Regulations (CR-82, Part 82)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/cr82.pdf

Open an Inspection Station
New York State Department of Motor Vehicles
https://dmv.ny.gov/business/open-an-inspection-station

Open and Operate a Repair or Body Shop
New York State Department of Motor Vehicles
https://dmv.ny.gov/business/open-a-repair-or-body-shop

Repair Shop Requirements (VS-145)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/vs145.pdf

Auto Repair and Body Shops (TB-ST-40)
New York State Department of Taxation and Finance
https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/auto_repair.htm

How to Register for New York State Sales Tax (TB-ST-360)
New York State Department of Taxation and Finance
https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/how_to_register_for_nys_sales_tax.htm

Frequently asked questions

Do I need a license to open a repair shop in New York?
Yes. Repair shops must be registered with the DMV. The fee is $10 plus $150 for two years per location.

Do body shops register too?
Yes. The DMV registration covers repairing bodies, fenders and other parts damaged by accident or otherwise, and shops that appraise damage.

Can my shop do state inspections?
Only with a separate inspection station license. A public inspection station must also be a registered repair shop and use computerized NYVIP3 equipment.

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.