START A BUSINESS - VIRGINIA

How to open an auto repair shop in Virginia

We found no Virginia State repair shop license; the key rule is sales tax: list parts and labor separately, because a lump-sum bill is fully 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 the State Corporation Commission (SCC).
2. Register with Virginia Tax to collect sales tax. The rate depends on where you are: 5.3% in most of Virginia, 6% in Central Virginia, Hampton Roads and Northern Virginia, and higher in a few localities.
3. Check your city or county for a local business license and zoning.

3 Licenses

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

4 Sales tax on repairs

List parts and labor separately: parts are taxable and labor is not. If the invoice shows one lump sum, the whole charge is taxable, labor included. Since July 2017, a separately listed shop supplies charge is taxable too.

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 for sales tax.
2. Get your local business license and check zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on parts; itemize labor

Required - State - Virginia Department of Taxation

Separately billed parts are taxable and separately stated labor is not (Tax Bulletin 17-7). If the invoice shows one lump sum, the whole charge is taxable, labor included (Ruling 21-92). Since July 1, 2017, separately stated shop supplies charges are taxable. The rate depends on the locality: 5.3% in most of Virginia, 6% in Central Virginia, Hampton Roads and Northern Virginia, and higher in a few localities.

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 Virginia 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

Tax Bulletin 17-7: Shop supplies charged by auto repair shops
Virginia Department of Taxation
https://www.tax.virginia.gov/sites/default/files/inline-files/tb-17-7-auto-shop-supplies_0.pdf

Frequently asked questions

Is repair labor taxable in Virginia?

Not when listed separately. A lump-sum invoice makes the whole charge 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.