START A BUSINESS - WASHINGTON

How to open an auto repair shop in Washington

We found no Washington 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. LLCs and corporations file with the Washington Secretary of State.
2. Get a business license through the Department of Revenue's Business Licensing Service, collect retail sales tax and report B&O tax. Vehicle repairs are taxable, labor included.
3. Check your city or county for local licenses and zoning.

3 Licenses

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

4 Sales tax on repairs

Washington treats repairing, washing and painting vehicles for consumers as retail sales: collect retail sales tax on the total charge, labor included. Parts and paint that become part of the repair are bought for resale, and B&O tax applies to your gross income.

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 Revenue.
2. Check local licenses and zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

Requirements at a glance

Retail sales tax on repairs, labor included

Required - State - Washington State Department of Revenue

In Washington, repairing, washing and painting vehicles for consumers are retail sales: collect retail sales tax on the total charge, labor included. Parts and paint that become part of the repair are bought for resale; other supplies you use up are taxable to you. Business and occupation (B&O) tax also applies to your gross income.

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 Washington 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

WAC 458-20-173, Installing, repairing, cleaning, altering or improving tangible perso
Washington State Department of Revenue (Washington State Legislature)
https://app.leg.wa.gov/WAC/default.aspx?cite=458-20-173

Frequently asked questions

Is repair labor taxable in Washington?

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.