START A BUSINESS - ARIZONA

How to open a car dealership in Arizona

Arizona new dealers, and used dealers selling seven or more vehicles in 12 months, need an ADOT MVD dealer license, a commercially zoned place of business, a TPT license and a surety bond ($100,000 for new and used dealers).

Sources verified 2026-11-21 - Updated 2026-11-21

1 Is a dealership right for you?

Dealers buy, recondition and sell vehicles and handle titles and paperwork. It suits people with sales skills, capital for inventory and patience for records.

2 Form the business and get a TPT license

1. Choose a structure. LLCs and corporations file with the Arizona Corporation Commission.
2. Get an Arizona transaction privilege tax (TPT) license from the Department of Revenue and report state and city TPT. Keep sales of goods and income from services in separate records.
3. Check your city or county for business licenses and zoning.

3 The ADOT MVD dealer license

New vehicle dealers, and used dealers selling seven or more used vehicles in a continuous 12 months, need a dealer license from ADOT's Motor Vehicle Division. Work from a commercially zoned, established place of business that meets the sign rules, and include a copy of your TPT license. Wholesale dealers may sell only to other licensed dealers.

4 Dealer bond

File a surety bond from a company authorized in Arizona. ADOT's rule sets $100,000 for new and used dealers and $25,000 for wholesale dealers; confirm the amount with ADOT.

5 Your first steps

1. Form the business and get a TPT license.
2. Secure a commercially zoned site with signs.
3. Get the surety bond.
4. Apply to ADOT Dealer Licensing.
5. List your business on Nearby Car Care

Requirements at a glance

Arizona transaction privilege tax (TPT) license

Required - State - Arizona Department of Revenue

Get an Arizona TPT license and report state and city TPT on taxable sales such as parts and goods. Keep separate records of sales of goods and income from services.

Form your LLC or corporation with the Arizona Corporation Commission first. Fees not verified here.

Official application: https://azdor.gov/sites/default/files/2023-03/RULINGS_TPT_1993_tpr93-31.pdf

ADOT MVD dealer license

Required - State - Arizona Department of Transportation, Motor Vehicle Division

New vehicle dealers, and used dealers selling seven or more used vehicles in a continuous 12 month period, need a dealer license. Work from a commercially zoned, established place of business that meets the sign rules, and include a copy of your TPT license with the application.

Fees: Filing and annual fees under A.R.S. 28-4302; amounts not verified here.
Official application:
https://apps.azdot.gov/files/mvd/mvm/dealer-licensing/Default.htm#CONTENT/Dealer_Licensing/Dealer_Community/1-Apply_New_Dealers/0-Applying_Landir

Dealer surety bond ($100,000)

Required - State - Arizona Department of Transportation, Motor Vehicle Division

File a surety bond from a company authorized in Arizona, cancellable only on 60 days notice. ADOT's rule sets $100,000 for new and used dealers and $25,000 for wholesale dealers; confirm the current amount with ADOT.
Amount: $100,000 (new and used); $25,000 (wholesale)

Official agencies and links

Arizona Transaction Privilege Tax Ruling TPR 93-31 (services rendered in addition to
Arizona Department of Revenue
https://azdor.gov/sites/default/files/2023-03/RULINGS_TPT_1993_tpr93-31.pdf

Applying for a New Dealer License: Dealer License Types and Definitions
Arizona Department of Transportation, Motor Vehicle Division, Dealer Licensing
https://apps.azdot.gov/files/mvd/mvm/dealer-licensing/Default.htm#CONTENT/Dealer_Licensing/Dealer_Community/1-Apply_New_Dealers/0-Applying_Landing

A.R.S. 28-4362, Application; fee; bond
Arizona State Legislature
https://www.azleg.gov/ars/28/04362.htm

Frequently asked questions

How much is the Arizona dealer bond?
ADOT's rule sets $100,000 for new and used dealers and $25,000 for wholesale dealers.

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-car-dealership/arizona/