START A BUSINESS - DISTRICT OF COLUMBIA

How to open a car dealership in DC

DC dealers need a DLCP motor vehicle dealer license with a $25,000 bond and a police criminal history report, plus a separate DC DMV dealer registration; salespeople need DLCP licenses.

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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 register for sales tax

1. Choose a structure. LLCs and corporations register with DLCP's Corporations Division.
2. Register with the Office of Tax and Revenue to collect DC sales tax and get a Clean Hands certification. Repair services are taxable, labor included.
3. Check your city or county for local licenses and zoning.

3 DLCP license and DMV registration

Dealers need a DLCP motor vehicle dealer license: certificate of occupancy, police criminal history report, a salesperson designation letter, a sample bill of sale, tax registration and Clean Hands. DC DMV dealer registration is separate, and salespeople need a DLCP salesperson license.

4 Dealer bond

Keep a $25,000 motor vehicle dealer bond (surety or cash) for the two-year license period.

5 Your first steps

1. Register the business and taxes; get Clean Hands.
2. Get a certificate of occupancy and the $25,000 bond.
3. Apply at BOSS, then register with DC DMV.
4. List your business on Nearby Car Care

Requirements at a glance

DC sales tax registration

Required - State - DC Office of Tax and Revenue

Register with the Office of Tax and Revenue and collect DC sales tax on taxable sales and services. A Clean Hands certification is part of DC business licensing.

Register your business entity with DLCP's Corporations Division first. Fees not verified here.

Official application: https://code.dccouncil.gov/us/dc/council/code/sections/47-2001

DLCP motor vehicle dealer license and DMV dealer registration

Required - State - DC Department of Licensing and Consumer Protection; DC DMV

Dealers need a DLCP motor vehicle dealer license (certificate of occupancy, police criminal history report, salesperson designation letter, sample bill of sale, tax registration and Clean Hands certification) and a separate DC DMV dealer registration. Salespeople need a DLCP salesperson license.

Official application: https://dlcp.dc.gov/node/1618866

Dealer surety bond ($25,000)

Required - State - DC Department of Licensing and Consumer Protection

Keep a $25,000 motor vehicle dealer bond (surety or cash) for the two-year license period (D.C. Code 50-603).

Amount: $25,000

Official agencies and links

D.C. Code 47-2001, Sales tax definitions (retail sales of services)

Council of the District of Columbia

https://code.dccouncil.gov/us/dc/council/code/sections/47-2001

Motor Vehicle Dealer business license

DC Department of Licensing and Consumer Protection

https://dlcp.dc.gov/node/1618866

Frequently asked questions

How much is the DC dealer bond?

$25,000.

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.