START A BUSINESS - HAWAII

How to open a car dealership in Hawaii

Hawaii dealers need a Motor Vehicle Industry Licensing Board dealer license and a flooring line of credit ($50,000 for used dealers, up to $500,000 for new); salespeople need their own license.

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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 get a GET license

1. Choose a structure. Register your business with the DCCA Business Registration Division.
2. Get a general excise tax (GET) license from the Department of Taxation. GET applies to the gross income of virtually all business activity, services included.
3. Check your city or county for local licenses and zoning.

3 The dealer license

Acting as a dealer requires a license from the Motor Vehicle Industry Licensing Board; each salesperson needs a salesperson license tied to the dealer. Licenses renew by June 30 of even-numbered years ($538 on Oahu, $344 on the neighbor islands).

4 Line of credit and bond

Get an inventory or flooring line of credit: $50,000 for used dealers and up to $500,000 for new dealers. If you cannot reasonably get one, ask the Board about a bond instead; the Board also publishes a dealer bond form.

5 Your first steps

1. Register the business and get a GET license.
2. Secure the flooring line of credit.
3. Apply to the Board and license your salespeople.
4. List your business on Nearby Car Care

Requirements at a glance

Hawaii GET license and general excise tax

Required - State - Hawaii Department of Taxation

Get a general excise tax license ($20 one-time) and report GET on the gross income of your business, including services.

Fees: $20 one-time registration

Register your business with the DCCA Business Registration Division first.

Official application: https://tax.hawaii.gov/geninfo/get/

Motor Vehicle Industry Licensing Board dealer license

Required - State - Motor Vehicle Industry Licensing Board

Acting as a vehicle dealer requires a license from the Motor Vehicle Industry Licensing Board, and each salesperson needs a salesperson license. Licenses renew by June 30 of even-numbered years ($538 on Oahu or $344 on the neighbor islands for dealers).

Fees: $538 (Oahu) or $344 (neighbor islands) renewal

Official application: https://cca.hawaii.gov/pvl/boards/motorvehicle/

Flooring line of credit ($50,000 used, up to $500,000 new)

Required - State - Motor Vehicle Industry Licensing Board

Dealer applicants obtain an inventory or flooring line of credit: $50,000 for used vehicle dealers, and $500,000 (or the franchise agreement amount, if less) for new vehicle dealers. If you cannot reasonably get one, ask the Board about a bond instead. The Board also publishes a dealer bond form; ask the Board about the bond amount.

Amount: $50,000 (used); up to $500,000 (new)

Official agencies and links

Motor Vehicle Industry Licensing Board

Hawaii Department of Commerce and Consumer Affairs, Professional and Vocational Licensing

https://cca.hawaii.gov/pvl/boards/motorvehicle/

General Excise Tax (GET) Information

Hawaii Department of Taxation

https://tax.hawaii.gov/geninfo/get/

HRS 437-7, Dealer license applications (lines of credit and bonds)

Hawaii State Legislature

https://data.capitol.hawaii.gov/hrscurrent/Vol10_Ch0436-0474/HRS0437/HRS_0437-0007.htm

Frequently asked questions

What financing does a Hawaii dealer need?

An inventory or flooring line of credit: $50,000 for used dealers, up to $500,000 for new 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.