START A BUSINESS - IDAHO

How to open a car dealership in Idaho

Idaho dealers need an ITD dealer license with a prelicensing class and exam, liability insurance, a $20,000 bond and a $300 consumer recovery fund payment; 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 seller's permit

1. Choose a structure. LLCs and corporations file with the Idaho Secretary of State.
2. Get an Idaho seller's permit from the State Tax Commission and collect sales tax on parts and goods.
3. Check your city or county for business licenses and zoning.

3 The ITD dealer license

Acting as a dealer requires a license from the Idaho Transportation Department. New applicants complete an approved prelicensing class with a written exam, carry liability insurance of at least $25,000 per person and $50,000 per accident for bodily injury, and retail dealers pay $300 into the Idaho Consumer Asset Recovery Fund. Renewals need four hours of continuing education, and each salesman needs an ITD salesman license.

4 Dealer bond

File a $20,000 bond (corporate surety, certificate of deposit or cash); wholesale dealers file $40,000. New dealers keep the bond for three consecutive years.

5 Your first steps

1. Form the business and get a seller's permit.
2. Complete the prelicensing class and exam.
3. Get liability insurance and the $20,000 bond.
4. Apply to ITD Dealer Services.
5. List your business on Nearby Car Care

Requirements at a glance

Idaho seller's permit

Required - State - Idaho State Tax Commission

Get an Idaho seller's permit and collect sales tax on parts and other goods you sell.

Form your LLC or corporation with the Idaho Secretary of State first. Fees not verified here.

Official application: https://tax.idaho.gov/taxes/sales-use/guides-for-certain-groups/repair-shops/

ITD dealer license

Required - State - Idaho Transportation Department, Dealer Services

Acting as a vehicle dealer or salesman requires a license from the Idaho Transportation Department. New dealer applicants complete an approved prelicensing class with a written exam, carry liability insurance of at least $25,000 per person and $50,000 per accident for bodily injury, and retail dealers pay into the Idaho Consumer Asset Recovery Fund ($300 according to ITD). Dealers complete four hours of continuing education to renew.

Fees: $300 Consumer Asset Recovery Fund fee for retail dealers; license fees not verified here.
Official application: https://itd.idaho.gov/?p=3082

Dealer bond ($20,000)

Required - State - Idaho Transportation Department

File a $20,000 bond (corporate surety, certificate of deposit or cash) for most dealers; wholesale dealers file $40,000 and motorcycle and similar dealers $10,000. New dealers keep the bond for three consecutive years.
Amount: $20,000

Official agencies and links

Idaho Code Title 49, Chapter 16: Dealers and Salesmen Licensing
Idaho Legislature
https://legislature.idaho.gov/wp-content/uploads/statutesrules/idstat/Title49/T49CH16.pdf

Repair Shops (sales and use tax guide)
Idaho State Tax Commission
https://tax.idaho.gov/taxes/sales-use/guides-for-certain-groups/repair-shops/

Dealer Portal
Idaho Transportation Department, Dealer Services
https://itd.idaho.gov/?p=3082

Frequently asked questions

How much is the Idaho dealer bond?
$20,000 for most dealers; $40,000 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/idaho/