START A BUSINESS - LOUISIANA

How to open a car dealership in Louisiana

Louisiana used car dealers need a Used Motor Vehicle Commission license ($400 for two years) after a seminar, with a $50,000 bond and garage liability insurance.

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 register for sales tax

1. Choose a structure. LLCs and corporations file with the Louisiana Secretary of State.
2. Register with the Department of Revenue for state sales tax and with your parish for local sales tax. Repairs and maintenance to vehicles are taxable.
3. Check your city or county for local licenses and zoning.

3 The dealer license

Apply to the Louisiana Used Motor Vehicle Commission. Register for and complete the educational seminar, show an established, properly zoned place of business with a permanent sign, and carry garage liability insurance (minimum limits $55,000). The license is $400 for two years.

4 Dealer bond

File a $50,000 surety bond on the Commission's form, bound to the State of Louisiana.

5 Your first steps

1. Form the business and register for sales tax.
2. Complete the Commission's seminar.
3. Get garage insurance and the $50,000 bond.
4. Apply to the Commission.
5. List your business on Nearby Car Care

Requirements at a glance

Louisiana sales tax registration

Required - State - Louisiana Department of Revenue

Register with the Department of Revenue to collect state sales tax, and with your parish for local sales tax. Repairs and maintenance to vehicles are taxable.

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

Official application: https://revenue.louisiana.gov/tax-education-and-faqs/faqs/sales-tax/do-i-have-to-collect-sales-tax-on-charges-for-labor/

Used Motor Vehicle Commission dealer license

Required - State - Louisiana Used Motor Vehicle Commission

Used dealers apply to the Louisiana Used Motor Vehicle Commission. Register for and complete the educational seminar, show an established, properly zoned place of business with a permanent sign, and carry garage liability insurance with minimum limits of $55,000.

Fees: $400 for a two-year license; $200 per additional location

Official application: https://lumvc.louisiana.gov/wp-content/uploads/2025/11/Initial-Dealer-Packet-Rev-9-25.pdf

Used dealer surety bond ($50,000)

Required - State - Louisiana Used Motor Vehicle Commission

File a $50,000 surety bond on the Commission's form, bound to the State of Louisiana, and keep it in force for the whole license period.

Amount: $50,000

Official agencies and links

Do I have to collect sales tax on charges for labor?

Louisiana Department of Revenue

https://revenue.louisiana.gov/tax-education-and-faqs/faqs/sales-tax/do-i-have-to-collect-sales-tax-on-charges-for-labor/

Requirements to Become a Used Motor Vehicle Dealer (LUMVC 9/25)

Louisiana Used Motor Vehicle Commission

https://lumvc.louisiana.gov/wp-content/uploads/2025/11/Initial-Dealer-Packet-Rev-9-25.pdf

Frequently asked questions

How much is the Louisiana used car dealer bond?

$50,000.

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.