START A BUSINESS - MAINE

How to open a car dealership in Maine

Maine dealers need a BMV license with a zoning form, lease, plot plan and site inspection, plus garage liability insurance and a $25,000 to $100,000 bond.

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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 file with the Maine Secretary of State.
2. Register with Maine Revenue Services to collect Maine's 5.5% sales tax on parts and other goods.

3 Who needs a license

You need a dealer license if you buy vehicles to resell, sell more than five vehicles in 12 months, or advertise or display three or more within 30 days. Vehicles you have owned and registered for at least six months do not count.

4 The BMV dealer license

File the application with the Land Use Regulatory/Town Zoning form, a one-year lease, a plot plan, partnership or corporation papers and your sales tax number. A Motor Vehicle Detective inspects your location. Before licensing you need garage liability insurance and a surety bond.

5 Dealer bond

The bond depends on the prior year's sales: 0 to 50, $25,000; 51 to 100, $50,000; 101 to 150, $75,000; 151 and over, $100,000. New dealers bond on projected sales.

6 Your first steps

1. Form the business and register for sales tax.
2. Get the town zoning form signed.
3. Get insurance and the bond.
4. Apply to the BMV Dealer Section and pass the inspection.
5. List your business on Nearby Car Care

Requirements at a glance

Maine sales tax registration (5.5%)

Required - State - Maine Revenue Services

Maine's general sales tax is 5.5%. Register with Maine Revenue Services to collect it on taxable sales; returns are due by the 15th of the month.

Form your LLC or corporation with the Maine Secretary of State before registering. Fees not verified here.

Official application: https://www.maine.gov/revenue/taxes/sales-use-service-provider-tax/rates-due-dates

BMV dealer license

Required - State - Maine Bureau of Motor Vehicles, Dealer Section

You need a dealer license if you buy vehicles to resell, sell more than five vehicles in 12 months, or advertise or display three or more within 30 days. File the application with the Land Use Regulatory/Town Zoning form, a one-year lease, a plot plan, partnership or corporation papers and a sales tax number. A Motor Vehicle Detective inspects the location. Before licensing you need garage liability insurance and a surety bond.

Fees: See the BMV's Motor Vehicle Dealer Licensing Fees page.

Official application:
https://www.maine.gov/sos/bmv/motor-vehicle-dealer-licensing/who-should-apply-to-be-a-motor-vehicle-dealer

Dealer surety bond ($25,000 to $100,000)

Required - State - Maine Bureau of Motor Vehicles

The bond is based on the prior year's sales: 0 to 50, $25,000; 51 to 100, $50,000; 101 to 150, $75,000; 151 and over, $100,000. New dealers bond on projected sales, and the Secretary of State reviews bonds every year.

Amount: $25,000 to $100,000

Official agencies and links

Who Should Apply to Be a Motor Vehicle Dealer
Maine Bureau of Motor Vehicles
https://www.maine.gov/sos/bmv/motor-vehicle-dealer-licensing/who-should-apply-to-be-a-motor-vehicle-dealer

29-A M.R.S. section 901, Dealer license application and surety bonds
Maine Legislature
https://legislature.maine.gov/legis/statutes/29-A/title29-Asec901.html

Sales and Use Tax Rates and Due Dates
Maine Revenue Services
https://www.maine.gov/revenue/taxes/sales-use-service-provider-tax/rates-due-dates

Frequently asked questions

How much is the Maine dealer bond?
$25,000 to $100,000 by prior-year sales; new dealers use projected sales.

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/maine/