START A BUSINESS - WEST VIRGINIA

How to open a car dealership in West Virginia

West Virginia dealers need a DMV dealer license after a pre-inspection, a $25,000 bond, 20/40/10 liability insurance, fingerprints and a $150 recovery fund payment.

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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 West Virginia Secretary of State.
2. Register with the West Virginia Tax Division for your business registration and sales tax account. The state rate is 6%, and cities may add up to 1%.
3. Check your city or county for local licenses and zoning.

3 The DMV dealer license

Call DMV Dealer Services (304-926-0705) for the minimum requirements and a pre-inspection of your lot. You need 20/40/10 dealer liability insurance, a personal property tax receipt for each owner (or a county affidavit), photos of the dealership and a sign with 4-inch letters, a West Virginia business license and, if required, a garage or franchise agreement. Owners and officers are fingerprinted.

4 Bond and fees

File a $25,000 surety bond. The application fee is $250 (renewal $100), plus $150 to the Dealer Recovery Fund at application and each renewal. The licensing year runs July 1 to June 30.

5 Your first steps

1. Form the business and register with the Tax Division.
2. Call Dealer Services for the pre-inspection.
3. Get the bond, insurance and sign.
4. Submit the application and fingerprints.
5. List your business on Nearby Car Care

Requirements at a glance

West Virginia business registration and sales tax (6%)

Required - State - West Virginia Tax Division

Register your business and sales tax account with the West Virginia Tax Division. The state rate is 6%, and municipalities may add up to 1%. Sales of goods and services are presumed taxable unless an exemption applies. Form your LLC or corporation with the West Virginia Secretary of State first. Fees not verified here.

Official application: https://tax.wv.gov/Documents/TSD/tsd300.pdf

DMV dealer license

Required - State - West Virginia Division of Motor Vehicles, Dealer Services

Call Dealer Services (304-926-0705) for the minimum requirements and a pre-inspection of your location. You need 20/40/10 dealer liability insurance, a personal property tax receipt for each owner or officer (or a county affidavit), photos of the dealership and a sign with letters at least 4 inches high, a West Virginia business license and, if required, a garage or franchise agreement. All owners and officers are fingerprinted for background checks.

Fees: Application $250, renewal $100 (new and used dealers); $150 to the Dealer Recovery Fund at application and each renewal
Official application: https://dmv.wv.gov/motor-vehicle-dealer-resource-page

Dealer surety bond ($25,000)

Required - State - West Virginia Division of Motor Vehicles

Dealers file a $25,000 surety bond (not required for repossession-financial institutions, manufacturers or transporters).
Amount: $25,000

Official agencies and links

Motor Vehicle Dealer Resource Page
West Virginia Division of Motor Vehicles
https://dmv.wv.gov/motor-vehicle-dealer-resource-page

TSD 300: Sales and Use Tax Exemptions
West Virginia Tax Division
https://tax.wv.gov/Documents/TSD/tsd300.pdf

TSD 369: Use Tax for Your Business
West Virginia Tax Division
https://tax.wv.gov/Documents/TSD/tsd369.pdf

Frequently asked questions

How much is the West Virginia 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.

https://nearbycarcare.com/resources/business/open-car-dealership/west-virginia/