START A BUSINESS - WISCONSIN

How to open a car dealership in Wisconsin

Wisconsin dealers need a DMV dealer license with a $50,000 bond, a licensed salesperson, a service facility within 50 miles, zoning approval and a seller's permit.

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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 Wisconsin Department of Financial Institutions.
2. Get a seller's permit from the Department of Revenue and collect state and any county sales tax. Repair labor, cleaning and towing are taxable.
3. Check your city or county for local licenses and zoning.

3 The DMV dealer license

A dealer license is needed to sell or lease vehicles to the public (individuals may sell up to five a year without one). You need a sign and posted hours, zoning and local approval, a seller's permit, a service department or agreement with a service facility within 50 miles, at least one licensed salesperson and a two-year lease if you do not own the property. The license lasts two years.

4 Dealer bond

Provide a $50,000 surety bond (form MV2511) or irrevocable letter of credit (form MV1046) for the whole two-year license period.

5 Your first steps

1. Form the business and get a seller's permit.
2. Secure a zoned location and a service agreement.
3. Get the $50,000 bond and a licensed salesperson.
4. Apply to the DMV (form MV2186).
5. List your business on Nearby Car Care

Requirements at a glance

Wisconsin seller's permit and sales tax

Required - State - Wisconsin Department of Revenue

Get a seller's permit from the Department of Revenue and collect state and any county sales tax. Vehicle repair labor, cleaning and towing are taxable in Wisconsin.

Form your LLC or corporation with the Wisconsin Department of Financial Institutions first. Fees not verified here.

Official application: https://www.revenue.wi.gov/DOR%20Publications/pb202.pdf

DMV motor vehicle dealer license

Required - State - Wisconsin Department of Transportation, DMV

A dealer license is required to sell or lease vehicles to the public (individuals may sell up to five vehicles a year without one). You need a business sign and posted hours, zoning and local approval, a seller's permit, a service department or written agreement with a service facility within 50 miles, at least one licensed salesperson and a two-year lease if you do not own the property. The license lasts two years.

Fees: Dealer license, plate and individual license fees on form MV2186
Official application: https://wisconsindot.gov/Pages/dmv/dlr-agents/busns-lcnse/retaildealerlicense.aspx

Dealer bond or letter of credit ($50,000)

Required - State - Wisconsin Department of Transportation, DMV

Provide a $50,000 surety bond (form MV2511) or irrevocable letter of credit (form MV1046) for the whole two-year license period.
Amount: $50,000

Official agencies and links

Publication 202: Sales and Use Tax Information for Motor Vehicle Sales, Leases, and R
Wisconsin Department of Revenue
https://www.revenue.wi.gov/DOR%20Publications/pb202.pdf

Retail dealer license
Wisconsin Department of Transportation, DMV
https://wisconsindot.gov/Pages/dmv/dlr-agents/busns-lcnse/retaildealerlicense.aspx

Frequently asked questions

How much is the Wisconsin dealer bond?
$50,000, as a bond or irrevocable letter of credit.

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.