START A BUSINESS - COLORADO

# How to start a roadside assistance company in Colorado

Get a sales tax license; we found no state roadside license for service calls, but towing needs a Public Utilities Commission towing carrier permit.

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## 1 Is roadside assistance right for you?

Roadside companies help stranded drivers with jump starts, tire changes, fuel delivery, lockouts and winch-outs. It suits people who like driving and stay calm next to traffic.

## 2 Form the business and get a sales tax license

1. Choose a structure. LLCs and corporations file with the Colorado Secretary of State.
2. Get a Colorado sales tax license and collect state, local and special district sales taxes. Some home-rule cities collect their own sales tax.
3. Check your city or county for business licenses and zoning.

## 3 Licenses

We found no Colorado State license for roadside assistance. Check your city or county for business licenses and zoning.

## 4 Sales tax on repairs

Parts and accessories installed in vehicles are taxable; separately stated service or labor charges are not. If you lump parts and labor into one price, the whole charge can be taxable.

## 5 Your first steps

1. Form the business and get a sales tax license.
2. Get local business licenses and check zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

## Requirements at a glance

**Sales tax on parts; separate labor**

Required - State - Colorado Department of Revenue

In Colorado, parts and accessories installed in vehicles are taxable; separately stated service or labor charges are not. If parts and labor are lumped into one price, the whole charge can be taxable. Colorado has state, local and special district sales taxes.

We found no separate Colorado State license for roadside assistance without towing; towing needs a PUC permit.

## Official agencies and links

**Sales and Use Tax Topics: Auto Repairs**

Colorado Department of Revenue, Taxation

https://tax.colorado.gov/sales-use-tax-topics-auto-repairs

## Frequently asked questions

Do I need a license for roadside assistance in Colorado?
Not for service calls that we found; towing needs a PUC towing carrier permit.

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.