START A BUSINESS - ARIZONA

How to start a salvage yard in Arizona

An Arizona salvage yard that buys vehicles to dismantle and sell parts needs an ADOT automotive recycler license with a surety bond of at least $20,000 and a TPT license.

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1 Is a salvage yard right for you?

Salvage yards buy wrecked and end of life vehicles, sell usable parts and recycle the rest. It suits people who like hands-on work and careful records.

2 Form the business and get a TPT license

1. Choose a structure. LLCs and corporations file with the Arizona Corporation Commission.
2. Get an Arizona transaction privilege tax (TPT) license from the Department of Revenue and report state and city TPT. Keep sales of goods and income from services in separate records.
3. Check your city or county for business licenses and zoning.

3 Automotive recycler license

Buying vehicles to dismantle and sell the parts requires an automotive recycler license from ADOT's Motor Vehicle Division. Include a copy of your TPT license with the application.

4 Recycler bond

File a surety bond of at least $20,000. Used parts you sell are taxable under the retail classification.

5 Your first steps

1. Form the business and get a TPT license.
2. Check county zoning.
3. Get the $20,000 bond.
4. Apply to ADOT for the recycler license.
5. List your business on Nearby Car Care

Requirements at a glance

TPT on parts you sell

Required - State - Arizona Department of Revenue

Used parts and other goods you sell are taxable under the retail classification.

ADOT automotive recycler license

Required - State - Arizona Department of Transportation, Motor Vehicle Division

Buying vehicles to dismantle and sell the parts requires an automotive recycler license from ADOT, with a surety bond of at least $20,000 and a copy of your TPT license.

Amount: $20,000 bond

Official application:
https://apps.azdot.gov/files/mvd/mvm/dealer-licensing/Default.htm#CONTENT/Dealer_Licensing/Dealer_Community/1-Apply_New_Dealers/0-Applying_Landir

Forklift operator training (OSHA)

Required in some cases - Federal - Occupational Safety and Health Administration

If employees use forklifts, the employer must train and evaluate each operator before they operate one (29 CFR 1910.178(l)).

Official agencies and links

29 CFR 1910.178, Powered industrial trucks (operator training, paragraph (l))

Occupational Safety and Health Administration

https://www.osha.gov/laws-regs/regulations/standardnumber/1910/1910.178

Arizona Transaction Privilege Tax Ruling TPR 93-31 (services rendered in addition to

Arizona Department of Revenue

https://azdor.gov/sites/default/files/2023-03/RULINGS_TPT_1993_tpr93-31.pdf

Applying for a New Dealer License: Dealer License Types and Definitions

Arizona Department of Transportation, Motor Vehicle Division, Dealer Licensing

https://apps.azdot.gov/files/mvd/mvm/dealer-licensing/Default.htm#CONTENT/Dealer_Licensing/Dealer_Community/1-Apply_New_Dealers/0-Applying_Landing

Frequently asked questions

Does Arizona license salvage yards?

Yes. Businesses that buy vehicles to dismantle and sell parts need an ADOT automotive recycler license.

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.