START A BUSINESS - LOUISIANA

How to start a salvage yard in Louisiana

Louisiana dismantlers and parts recyclers are licensed by the Used Motor Vehicle Commission ($400 for two years); crushers, used parts sellers and catalytic converter buyers have their own licenses.

Sources verified 2026-11-21 - Updated 2026-11-21

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 register for sales tax

1. Choose a structure. LLCs and corporations file with the Louisiana Secretary of State.
2. Register with the Department of Revenue for state sales tax and with your parish for local sales tax. Repairs and maintenance to vehicles are taxable.
3. Check your city or county for local licenses and zoning.

3 Dismantler and parts recycling license

Apply to the Used Motor Vehicle Commission for the Automotive Dismantler and Parts Recycling License ($400 for two years). Crushers, used parts and accessories sellers and catalytic converter buyers need their own Commission licenses. Selling repaired vehicles at retail also requires a used dealer license and bond.

4 Sales tax

Used parts you sell are taxable at the state and local rates.

5 Your first steps

1. Form the business and register for sales tax.
2. Check parish zoning.
3. Apply to the Used Motor Vehicle Commission.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on parts you sell

Required - State - Louisiana Department of Revenue

Used parts and other goods are taxable at the state and local rates.

Automotive dismantler and parts recycling license

Required - State - Louisiana Used Motor Vehicle Commission

Dismantlers and parts recyclers are licensed by the Used Motor Vehicle Commission. Crushers, used parts and accessories sellers and catalytic converter buyers have their own licenses. Selling repaired vehicles at retail also requires a used dealer license and bond.

Fees: $400 for a two-year license

Official application: https://lumvc.louisiana.gov/wp-content/uploads/2025/11/Initial-Dealer-Packet-Rev-9-25.pdf

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

Do I have to collect sales tax on charges for labor?

Louisiana Department of Revenue

https://revenue.louisiana.gov/tax-education-and-faqs/faqs/sales-tax/do-i-have-to-collect-sales-tax-on-charges-for-labor/

Requirements to Become a Used Motor Vehicle Dealer (LUMVC 9/25)

Louisiana Used Motor Vehicle Commission

https://lumvc.louisiana.gov/wp-content/uploads/2025/11/Initial-Dealer-Packet-Rev-9-25.pdf

Frequently asked questions

Who licenses salvage yards in Louisiana?

The Used Motor Vehicle Commission, through the automotive dismantler and parts recycling 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.

https://nearbycarcare.com/resources/business/start-salvage-yard/louisiana/