START A BUSINESS - WASHINGTON

How to start a salvage yard in Washington

A Washington salvage yard that wrecks vehicles needs a Department of Licensing vehicle wrecker license with a $1,000 bond; parts sales are subject to retail sales and B&O tax.

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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 register for sales tax

1. Choose a structure. LLCs and corporations file with the Washington Secretary of State.
2. Get a business license through the Department of Revenue's Business Licensing Service, collect retail sales tax and report B&O tax. Vehicle repairs are taxable, labor included.
3. Check your city or county for local licenses and zoning.

3 Vehicle wrecker license

Engaging in the business of wrecking vehicles requires a vehicle wrecker license from the Department of Licensing; operating without one is a gross misdemeanor.

4 Wrecker bond

File a $1,000 surety bond. Used parts you sell are subject to retail sales tax and B&O tax.

5 Your first steps

1. Form the business and get a business license.
2. Check zoning.
3. Get the $1,000 bond and apply to DOL.
4. List your business on Nearby Car Care

Requirements at a glance

Retail sales tax on parts you sell

Required - State - Washington State Department of Revenue

Used parts and other goods you sell at retail are taxable, and B&O tax applies.

DOL vehicle wrecker license

Required - State - Washington State Department of Licensing

Engaging in the business of wrecking vehicles requires a vehicle wrecker license from the Department of Licensing, with a $1,000 surety bond.

Amount: $1,000 bond

Official application: https://app.leg.wa.gov/RCW/default.aspx?cite=46.80

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

WAC 458-20-173, Installing, repairing, cleaning, altering or improving tangible perso
Washington State Department of Revenue (Washington State Legislature)
https://app.leg.wa.gov/WAC/default.aspx?cite=458-20-173

Chapter 46.80 RCW, Vehicle wreckers (46.80.020, 46.80.070)
Washington State Legislature
https://app.leg.wa.gov/RCW/default.aspx?cite=46.80

Frequently asked questions

Do Washington salvage yards need a license?
Yes. A Department of Licensing vehicle wrecker license with a $1,000 bond.

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.