START A BUSINESS - WISCONSIN

How to start a salvage yard in Wisconsin

A Wisconsin salvage yard needs a DMV salvage dealer license with $25,000 financial coverage, environmental compliance and its license number on salvage haul trucks.

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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 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 Salvage dealer license

Buying vehicles to wreck, process, scrap, recycle or dismantle requires a DMV salvage dealer license (Type 1 dismantles and sells parts). Show your license number on trucks that haul salvage, post your hours and show environmental compliance.

4 Financial coverage

Provide $25,000 financial coverage: a financial statement showing a net worth of at least $5,000, a letter of credit or a dealer bond. Type 1 and Type 2 dealers need a seller's permit.

5 Your first steps

1. Form the business and get a seller's permit.
2. Arrange the $25,000 financial coverage.
3. Apply to the DMV and show environmental compliance.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on parts you sell

Required - State - Wisconsin Department of Revenue

Used parts and other goods are taxable; Type 1 and Type 2 salvage dealers need a seller's permit.

DMV salvage dealer license

Required - State - Wisconsin Department of Transportation, DMV

Buying vehicles to wreck, process, scrap, recycle or dismantle requires a salvage dealer license (Type 1 dismantles and sells parts). Show your license number on trucks that haul salvage, post your hours, show environmental compliance and provide $25,000 financial coverage by financial statement (net worth of at least $5,000), letter of credit or bond.

Amount: $25,000 financial coverage

Official application: https://wisconsindot.gov/Pages/dmv/dlr-agents/busns-lcnse/salvagedealerlicense.aspx

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

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

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

Frequently asked questions

What license does a Wisconsin junkyard need?
A DMV salvage dealer license with $25,000 financial coverage.

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/wisconsin/