START A BUSINESS - ARKANSAS

How to start a towing company in Arkansas

Arkansas towing companies need a Towing and Recovery Board license and a permit for each tow truck, post their maximum rates, and charge sales tax on towing.

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1 Is towing right for you?

Towing companies move disabled, damaged and illegally parked vehicles and answer police and motor club calls. It suits owners who can run a 24 hour operation and keep trucks and drivers on the road.

2 Form the business and register for sales tax

1. Choose a structure. Register your business with the Arkansas Secretary of State.
2. Get a retail permit from the Department of Finance and Administration. Arkansas taxes repair, cleaning and towing of vehicles.
3. Check your city or county for local licenses and zoning.

3 Towing and Recovery Board

If you tow in Arkansas, license the business and permit each tow truck with the Towing and Recovery Board. The business must be domiciled in Arkansas, accessible to the public, with signage and posted maximum rates. Each truck needs a safety inspection and insurance; non-consent towing needs garage liability coverage. Fees: $150 a year for a non-consent license (consent registration $25) and $72 a year per truck.

4 Rates, invoices and tax

Submit a rate sheet with your application and renewals and use an invoice that meets Act 932 of 2025. Wrecker and towing services are taxable in Arkansas.

5 Your first steps

1. Register the business and get a retail permit.
2. Get insurance and truck inspections.
3. Apply to the Towing and Recovery Board with your rate sheet.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax on wrecker and towing services

Required - State - Arkansas Department of Finance and Administration

Wrecker and towing services are taxable in Arkansas.

Towing and Recovery Board license and tow truck permits

Required - State - Arkansas Towing and Recovery Board

If you tow in Arkansas, license the business and permit each tow truck with the Towing and Recovery Board. The business must be domiciled in Arkansas, accessible to the public, and post signage and its maximum rates. Each truck needs a safety inspection and insurance, and non-consent towing needs garage liability coverage. Submit a rate sheet and an invoice that meets Act 932 of 2025.

Fees: Non-consent license $150 a year; consent registration $25 a year; $72 a year per tow truck permit

Official application: https://labor.arkansas.gov/licensing/towing-and-recovery-board/licensing-permitting/

Name and USDOT number on trucks in interstate commerce

Required in some cases - Federal - Federal Motor Carrier Safety Administration

Commercial motor vehicles subject to the federal rules show the carrier's name and USDOT number on both sides, readable from 50 feet in daylight (49 CFR 390.21).

Official agencies and links

49 CFR 390.21, Marking of self-propelled CMVs and intermodal equipment

Federal Motor Carrier Safety Administration (eCFR)

https://www.ecfr.gov/current/title-49/subtitle-B/chapter-III/subchapter-B/part-390/subpart-B/section-390.21

Towing and Recovery Board: Licensing and Permitting

Arkansas Department of Labor and Licensing, Towing and Recovery Board

https://labor.arkansas.gov/licensing/towing-and-recovery-board/licensing-permitting/

26 CAR 30-507, Wrecker and towing services

Code of Arkansas Rules (Department of Finance and Administration)

https://codeofarrules.arkansas.gov/Rules/Rule?levelType=section&titleID=26&chapterID=33&subChapterID=241&partID=971&subPartID=9363&sectionID=629

Frequently asked questions

Do Arkansas tow companies need a license?

Yes. The Towing and Recovery Board licenses tow businesses and permits each tow truck.

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.