START A BUSINESS - DISTRICT OF COLUMBIA

How to start a towing company in DC

DC tow businesses need a DLCP tow truck business license with $750,000 insurance and a $25,000 bond, plus a license for each tow truck and storage lot; trucks show company details, DOT number and storage fees.

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

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. LLCs and corporations register with DLCP's Corporations Division.
2. Register with the Office of Tax and Revenue to collect DC sales tax and get a Clean Hands certification. Repair services are taxable, labor included.
3. Check your city or county for local licenses and zoning.

3 DLCP tow licenses

Tow businesses need a DLCP tow truck business license: $750,000 liability insurance, certificate of occupancy, proof of right to use a storage lot, a police criminal history report and a sample service receipt. Each tow truck needs its own license with DMV registration, and storage lots need their own license with $50,000 garage keeper's insurance and a fee schedule.

4 Bond and markings

File a $25,000 tow truck business bond. Trucks show the company name, phone, address, DOT number, storage fee and hours.

5 Your first steps

1. Register the business and taxes.
2. Secure a storage lot and insurance.
3. Get the $25,000 bond and police reports.
4. Apply at BOSS for business, truck and lot licenses.
5. List your business on Nearby Car Care

Requirements at a glance

Ask how towing charges are taxed

Required in some cases - State - DC Office of Tax and Revenue

Ask the Office of Tax and Revenue how your towing and storage charges are treated.

DLCP tow truck business, tow truck and storage lot licenses

Required - State - DC Department of Licensing and Consumer Protection

Tow businesses need a DLCP tow truck business license: $750,000 liability insurance, certificate of occupancy, proof of right to use a storage lot, a police criminal history report, a $25,000 tow truck business bond and a sample service receipt. Each tow truck needs its own license with DMV registration, and storage lots need their own license with $50,000 garage keeper's insurance and a posted fee schedule. Trucks show the company name, phone, address, DOT number, storage fee and hours.

Amount: $25,000 bond
Official application: https://dlcp.dc.gov/node/1619011

Name and USDOT number on trucks

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

D.C. Code 47-2001, Sales tax definitions (retail sales of services)
Council of the District of Columbia
https://code.dccouncil.gov/us/dc/council/code/sections/47-2001

Tow Truck Business, Tow Truck and Tow Truck Storage Lot licenses
DC Department of Licensing and Consumer Protection
https://dlcp.dc.gov/node/1619011

Frequently asked questions

Do DC tow companies need a license?
Yes. DLCP licenses tow businesses, each tow truck and each storage lot.

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-towing-company/district-of-columbia/