START A BUSINESS - INDIANA

How to start a towing company in Indiana

We found no Indiana State towing license in the sources we checked; check city and county rules and police lists, and remember salvage recycling needs its own license.

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 file through INBiz with the Indiana Secretary of State.
2. Register with the Department of Revenue (INTIME) for a Registered Retail Merchant Certificate to collect Indiana sales tax.
3. Check your city or county for business licenses and zoning.

3 Licenses

We found no Indiana State license for towing companies. Check your city or county for business licenses and zoning.

4 Sales tax

Parts are taxable; separately stated service charges generally are not. Ask the Department of Revenue how your towing and storage charges are treated.

5 Local rules and markings

Ask your city, county and local police about towing ordinances and rotation lists. If you store, dismantle or recycle vehicles for parts, you need an automotive salvage recycler license. Interstate trucks show the company name and USDOT number on both sides.

6 Your first steps

1. Form the business and register for sales tax.
2. Get local business licenses and check zoning.
3. Buy insurance and equipment.
4. List your business on Nearby Car Care

Requirements at a glance

Sales tax: itemize parts and labor

Required in some cases - State - Indiana Department of Revenue

Parts are taxable; separately stated service charges generally are not. Ask the Department how your towing and storage charges are treated.

Local towing rules and police lists

Required in some cases - Municipal - Your city or county

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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

Sales Tax Information Bulletin #60 (March 2024)

Indiana Department of Revenue

https://www.in.gov/dor/files/sib60.pdf

Frequently asked questions

Does Indiana license tow companies?

We found no state towing license; check your city and county.

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.