LICENSES, PERMITS & CERTIFICATIONS - DELAWARE

Delaware car dealer licenses, bonds and permits

What Delaware requires of these businesses: registration, tax, licenses and the official links to check.

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

1 The rules at a glance

- Division of Revenue dealer business license
- DMV dealer license: lease, criminal history, fingerprints, references
- 90-day residency for used and wholesale dealers
- Application $100, renewal $50
- Ask the DMV about a bond

Requirements at a glance

Division of Revenue business license and dealer fees

Required - State - Delaware Division of Revenue

Delaware has no sales tax. A motor vehicle dealer needs a yearly Division of Revenue business license and pays a handling fee on each vehicle sold to the owner. Repairs, parts sales and wholesale need their own business licenses and gross receipts tax.

Fees: Per the Division's Tax Tips: dealer license $100 a year and $2 per vehicle sold. Confirm current amounts with the Division.

Official application: https://revenue.delaware.gov/frequently-asked-questions/gross-receipts-tax-faqs/

DMV dealer license

Required - State - Delaware Division of Motor Vehicles

You need a DMV dealer license to buy, sell or deal in vehicles. Owners of used and wholesale dealerships must have held a Delaware driver's license and residency for at least 90 days (franchised and new dealers are exempt). You must be 18, submit fingerprints and criminal history, a copy of your lease and two references, and carry liability insurance on dealership vehicles.

Fees: Application $100; renewal $50 (21 Del. C. 6302)

Official application: https://dmv.de.gov/forms/other_forms/pdfs/ve_frm_mv29.pdf

Bond: ask the DMV whether one applies

Required in some cases - State - Delaware Division of Motor Vehicles

We did not confirm a general dealer surety bond in the Delaware sources we checked. Ask the DMV Dealer Section whether a bond applies to your dealership type, especially if you finance sales.

Official agencies and links

Application for Dealership License (MV29)
Delaware Division of Motor Vehicles
https://dmv.de.gov/forms/other_forms/pdfs/ve_frm_mv29.pdf

Gross Receipts Tax FAQs
Delaware Division of Revenue
https://revenue.delaware.gov/frequently-asked-questions/gross-receipts-tax-faqs/

Tax Tips for Motor Vehicle Dealers
Delaware Division of Revenue
https://revenuefiles.delaware.gov/docs/motorveh.pdf

21 Del. C. section 6302, Dealer license requirements
Delaware General Assembly (Delaware Code)
https://delcode.delaware.gov/title21/c063/index.html

Frequently asked questions

Do I have to live in Delaware to open a used car lot?
Yes. Owners of used and wholesale dealerships need a Delaware driver's license and 90 days of residency.

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.