LICENSES, PERMITS & CERTIFICATIONS - NEW YORK

New York car dealer licenses, bonds and permits

DMV dealer registration, the dealer bond, site and sign rules and sales tax for New York dealerships.

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1 The rules at a glance

- Form the business and get a Certificate of Authority before applying
- DMV dealer registration: $487.50 application and business fees
- VS-3 bond: $20,000, $100,000 or $50,000 (franchised new)
- Display space for three vehicles (retail), office basics, exclusive mailbox
- Red and white dealer sign at least 3 by 2 feet
- VERIFI enrollment

2 Who to ask

DMV Office of Vehicle Safety and Clean Air (518-474-0919) for registration and inspections, and the Tax Department for sales tax.

Requirements at a glance

Form the business (Department of State or county clerk)

Required - State - New York Department of State; your county clerk

Corporations and LLCs file with the New York Department of State; an LLC files Articles of Organization and then, within 120 days, publishes notice of its formation in two newspapers and files a Certificate of Publication, or its authority to do business is suspended. Individuals or partnerships using an assumed name file a business certificate with the county clerk. The DMV asks facility applicants for the DOS filing receipt or the county business certificate.

Fees: LLC Articles of Organization: $200. Certificate of Publication: $50 (newspaper costs are extra).

Official application: https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Sales Tax Certificate of Authority

Required - State - New York State Department of Taxation and Finance

If you will make sales subject to sales tax, register with the Tax Department through New York Business Express at least 20 days before you begin business and wait for your Certificate of Authority. Display it at your place of business (or in your vehicle if you have no fixed location). The rate depends on the location; use the Department's rate lookup by address.

Fees: Operating without a Certificate of Authority: penalty up to $500 for the first day and up to $200 for each later day, up to $10,000; $50 penalty for not displaying it.

DMV dealer registration

Required - State - New York State Department of Motor Vehicles

File the Original Facility Application with proof of business name, IDs, your Sales Tax Certificate of Authority, the dealer bond, workers compensation proof and proof of right to use the property. An Automotive Facilities Inspector then visits: retail dealers need display space for at least three vehicles, heat, electricity, a phone and a desk, a lockable place for security items, an exclusive mailbox, permanent signs, and a permanent barrier from any other business at the site. New vehicle dealers need a franchise agreement or letter of intent. Approved dealers enroll in VERIFI.

Fees: Application and business fees: $487.50 (Form VS-1D, revision 2/26).

Official application: https://dmv.ny.gov/forms/vs1d.pdf

Dealer surety bond (VS-3)

Required - State - New York State Department of Motor Vehicles

Dealers that sell passenger cars and light trucks file a sealed and signed bond under VTL 415(6-b): $20,000 if you sell 50 or fewer vehicles, $100,000 if you sell more than 50, and $50,000 for franchised new vehicle dealers. Dealers that sell only trailers, motorcycles, vehicles over 10,000 pounds, ATVs, boats or snowmobiles are exempt.
Amount: $20,000 (50 or fewer vehicles) / $100,000 (more than 50) / $50,000 (franchised new)

Official dealer sign

Required - State - New York State Department of Motor Vehicles

The sign must have a red background and white letters, measure at least 3 feet wide by 2 feet tall, be permanently mounted and visible from the nearest street, and read REGISTERED (facility number) STATE OF NEW YORK MOTOR VEHICLE DEALER in two inch block letters. The inspector will deny the application if signs are not clearly visible.

Certificate of Authority before you apply

Required - State - New York State Department of Taxation and Finance

The DMV says not to submit a dealer application without your Sales Tax Certificate of Authority.

Official agencies and links

Articles of Organization for Domestic Limited Liability Company
New York Department of State, Division of Corporations
https://dos.ny.gov/articles-organization-domestic-limited-liability-company-0

Dealer/Transporter Requirements (VS-142)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/vs142.pdf

Open a Dealership
New York State Department of Motor Vehicles
https://dmv.ny.gov/business/open-a-dealership

Original Facility Application, Dealer/Transporter (VS-1D)
New York State Department of Motor Vehicles
https://dmv.ny.gov/forms/vs1d.pdf

How to Register for New York State Sales Tax (TB-ST-360)
New York State Department of Taxation and Finance
https://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/how_to_register_for_nys_sales_tax.htm

Frequently asked questions

Do wholesale dealers need display space?

No. The DMV exempts transporters and wholesale dealers from the three vehicle display requirement.

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/licenses/dealer-licenses-permits/new-york/