LICENSES, PERMITS & CERTIFICATIONS - RHODE ISLAND

Rhode Island car dealer licenses, bonds and permits

The DMV dealer license, site rules, the $50,000 bond and the hearing for Rhode Island dealerships.

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

1 The rules at a glance

- Form the business and get a sales permit
- DMV dealer license: 2,400 square foot building, 2,400 square foot lot, service shop, 24 square foot sign
- Deed or lease of at least one year; zoning approval
- $50,000 bond filed every year
- Hearing before the Dealers' Hearing Board

Requirements at a glance

Form the business with the Department of State

Required - State - Rhode Island Department of State

LLCs file Articles of Organization and corporations file Articles of Incorporation with the Department of State, then file an annual report every year after the first.

Fees: LLC Articles of Organization $150; corporation $230; annual report $50 per year.

Permit to make sales at retail

Required - State - Rhode Island Division of Taxation

Every person engaged in making retail sales in Rhode Island must obtain a permit from the Division of Taxation. The sales tax rate is 7%. Permits are renewed every year by February 1, with no fee.

Fees: No fee for the annual renewal.

Official application: https://tax.ri.gov/tax-sections/sales-excise-taxes

Division of Motor Vehicles dealer license

Required - State - Rhode Island Division of Motor Vehicles, Dealers' License and Regulati

Dealers need one building with at least 2,400 square feet of enclosed, heated space for an office and vehicle service, a display lot of at least 2,400 square feet, a service and repair shop with tools, a deed or a lease of at least one year, zoning approval (or the town's license to sell vehicles), and a sign of at least 24 square feet. Applications are investigated and heard by the Dealers' Hearing Board.

Fees: The DMV franchise dealer application lists a $303.50 license fee.

The franchise application also asks for a CPA financial statement and a $50,000 line of credit.

Official application: https://dmv.ri.gov/media/1486/download?language=en

$50,000 dealer surety bond, filed every year

Required - State - Rhode Island Division of Motor Vehicles

Motor vehicle dealers file a $50,000 bond each year with the license renewal; it is in effect until December 31 of that year.

Amount: $50,000

Official agencies and links

Business Basics: Types of Structures

Rhode Island Department of State, Business Services

https://www.sos.ri.gov/divisions/business-services/business-basics/types-of-structures

Dealers, Manufacturers, and Rental Licenses (280-RICR-30-20-1)
Rhode Island Division of Motor Vehicles
https://dmv.ri.gov/media/346/download?language=en

Instructions for Franchise Dealer Application
Rhode Island Division of Motor Vehicles, Dealers' License and Regulations Office
https://dmv.ri.gov/media/1486/download?language=en

Sales and Excise Taxes
Rhode Island Division of Taxation
https://tax.ri.gov/tax-sections/sales-excise-taxes

Frequently asked questions

Does a Rhode Island dealer need a repair shop?
Yes. Every dealer must keep a service and repair shop with tools for routine repairs.

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/rhode-island/