

Published based on [How To Make Money Buying And Selling Used Cars Part 4](#)

How To Make Money Buying And Selling Used Cars Part 4

In the first part of this short series on how to make money buying and selling used cars, we looked at what personal traits someone wanting to be profitable in this business would need to have. In the second part we looked at the best places to locate such a business; in the third we looked at sourcing our stock - our cars or trucks and in this section, we will look at valuing that stock.

Whether you source your vehicles from auctions or from private persons, you will have to be able to work out their value accurately, so, how do you work out the worth of used vehicles? The easiest way to know a vehicle's average market, trade-in or wholesale value is to subscribe to a car dealers' used car guide. Most western countries have one, but in the USA the most popular one is called the National Automobile Dealers' Used Car Guide or N.A.D.A.

NADA not only issues monthly guides to used cars, it also publishes monthly guides on older or classic cars, smaller boats, larger boats, SUV's, mobile homes, RV's, snow mobiles and motorcycles. Look them up on the Internet and sign up to their subscription list for the kinds of vehicles that you are interested in.

These used vehicle guides normally include foreign or imported cars and trucks as well and are a consensus of sales and auctions over the entire country, therefore a little local knowledge is indispensable too as your region may operate at slightly above or slightly below the national average, which could present you with additional chances for (wholesale) sales by transporting cars into or out of your district.

Sometimes or in some regions, a permit is required to run a used car business. This is nothing more than tax by another title normally, so simply requires you to pay a fee. In other regions, it may be a means of weeding out unscrupulous traders and may require an test of some variety, so it is worth checking your district's requirements before you start trading.

Some regions have laxer laws than others on buying and selling second-hand cars, allowing 'occasional sales'. 'Occasional sales of motor vehicles' is usually intended to be no more than five sales in a twelve month period.

When you are starting out you could make use of this allowance, if your region allows it, to keep your operating costs down to a minimum in the costly early days of establishing your business, but once you see yourself passing this maximum quantity you should submit an application for a license straight away to avoid incurring any penalties. These penalties can be severe ranging from a fine to disbarment from trading, so be warned.

You will also have to learn how to collect taxes from your sales and your wages to yourself and to your employees. You will also have to learn how to hand these monies over to the correct authorities on time, although your accountant or book-keeper can assist you there.

Owen Jones, the author of this piece writes on various topics, but is currently involved with [entry door locks](#). If you would like to know more, please go to our website at [Escort 8500](#).

You can also find this article published on [How To Make Money Buying And Selling Used Cars Part 4](#), and on the tag pages [Advertising](#), [autos](#), [business](#), [career](#), [cars](#), [entrepreneur](#), [finance](#), [hobbies](#), [home business](#), [management](#), [marketing](#), [other](#), [rv](#), [sales](#), [vehicles](#).