

Chapter 09 Manufactured Housing

- 100 Manufactured home (mobile home) is defined as a structure that is transportable in one or more sections and is built on a permanent chassis. A manufactured home is designed for use as a dwelling or office with or without a permanent foundation when connected to required utilities. The sale or lease of manufactured homes is taxed at the reduced rate of 3%.
- 101 Items permanently attached to and becoming a component part of the manufactured home at the time of the sale are included in the purchase price that is taxable at 3%. Examples would be a built-in dishwasher and central heating and air conditioning. Appliances sold and shipped by the manufacturer with the home and included in the overall price of the home from the manufacturer are also considered part of the manufactured home taxable at the reduced rate of 3%. Other furniture and freestanding appliances purchased and resold by the manufactured home dealer are taxable at the 7% rate of tax. The sales price of the additional freestanding furniture and appliances should be separately stated from the sales price of the manufactured home. Likewise, the 7% sales tax should also be separately stated from the 3% sales tax.
- 102 Repairs, repair parts and sales of replacement tangible personal property are taxable at the 7% rate of tax.
- 103 Amounts included in the sale of a manufactured home for “set up charges” are taxed at the same rate as the manufactured home. These charges are limited to the site built supporting parts upon which the manufactured home is placed. This structure may be either constructed to encompass the perimeter of the home or in the form of piers. It includes all exterior materials required to physically screen or shield such supports including skirting and basic entry steps required for exterior doors. Utility connections would be included if not billed separately. This is limited to charges included by the seller to connect the home to the water meter, utility service pole, etc. Charges by an electrician, plumber or utility service provider to run the utilities to the home site are taxable at the 7% rate of tax.
- 104 Other charges for general home site preparation such as, but not limited to the grading of the home site, providing fill dirt or other materials for the home foundation, installation of a septic tank system or running utilities to the home site are not defined as set up charges. If the manufactured housing dealer provides these services to his customer, then the manufactured housing dealer is considered to be reselling such services and should provide his tax number to the vendor or contractor providing such services. The manufactured housing dealer is responsible for collecting and remitting 7% tax on all additional charges that are not “set up charges”.
- 105 The manufactured home dealer should pay 7% sales tax on the cost of materials for any carpentry work performed for the customer at the manufactured home site. This includes onsite construction of decks and other similar structures. The manufactured home dealer should pay 7% sales tax on purchases of concrete or asphalt for use in construction of

driveways, patios or other similar structures. No sales tax should be charged to the customer for these construction services.

- 106 Any taxpayer operating a new or used mobile home dealership shall be required to post a cash or surety bond prior to receiving a Sales Tax Permit to engage in business. The amount of the bond shall be \$25,000 for a new mobile home dealer and \$10,000 for a used mobile home dealer, unless the taxpayer or Commissioner can show cause for another amount to be accepted.
- 107 Any manufactured home dealer who files delinquent tax returns for more than one period in a calendar year or who presents a check for payment of tax that is returned by the bank for insufficient funds, shall be required to post a bond equal to six months' tax liability. The six months' liability shall be determined by accumulating the past 12 months' liability (determined by returns filed or audit results) and dividing by 2.
- 108 (Reserved)

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