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Manufactured homes and modular homes are taxed differently under the sales and use tax code.

117-335.1. Manufactured Homes

The basis upon which the tax is calculated on a manufactured home (as defined in Code Section 40-29-20) is only sixty-five percent of the “gross proceeds of sales” as defined in Code Section 12-36-90.

The maximum tax due on the sale of a manufactured home is \$300 if the home meets certain energy efficient standards as set forth in Code Section 12-36-2110(B). If the home does not meet these energy efficient standards, then the maximum tax is \$300 plus 2% of the basis upon which the tax is calculated that exceeds \$6,000. A manufactured home is energy efficient if it meets the following energy efficiency levels as set forth in Code Section 12-36-2110(B): “storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R-11 for walls, R-19 for floors, and R-30 for ceilings. However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above three hundred dollars applies if the total heat loss does not exceed that calculated using the levels of R-11 for walls, R-19 for floors, and R-30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for heat loss calculation. The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold which contains the above calculations and verifying whether or not the manufactured home met the energy efficiency levels provided for in this subsection. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.”

Local sales and use taxes that are administered and collected by the Department of behalf of local jurisdictions do not apply to manufactured homes.

The retail sale upon which the tax is based is the sale by the retailer to the consumer home buyer or contractor. See Code Section 12-36-2120(B).

117-335.2. Modular Homes

The basis upon which the tax is calculated on a modular home (as regulated in Chapter 43 of Title 23) is only fifty percent of the “gross proceeds of sales” as defined in Code Section 12-36-2120(34). A modular home regulated under Chapter 43 of Title 23 cannot be considered a manufactured home, even if the home meets the definitional requirements of a manufactured home in Code Section 40-29-20.

The maximum tax provisions do not apply to modular homes. Local sales and use taxes that are administered and collected by the Department of behalf of local jurisdictions do apply to modular homes.

The retail sale upon which the tax is based is the sale by the manufacturer to either the modular home dealer or home buyer, whichever is applicable. See Code Section 12-36-2120(34).

117-335.3. Other Factory Fabricated Buildings

Sales of portable classrooms and storage type manufactured buildings, recreational vehicles (RVs), travel trailers, campers, manufactured condominiums and units, and like tangible personal property are not considered sales of manufactured homes or modular homes.

117-335.4. Furniture and Appliance

Furniture and appliances are not considered a part of a manufactured or modular home, unless they are built-ins. For example, televisions, counter appliances, sofas, chairs and tables, even though sold with a home, are not a part of the home. Because these items are not a part of the home, they are taxed separately from the home at 5%, plus any applicable local sales and use tax, of their sales price less any trade-in allowed. The amount upon which the tax is calculated on furniture and appliances that are not built ins is the amount listed in the sales contract for these items or the retail fair market value of these items if the amounts for these items are not listed in the contract or if the amounts listed in the contract do not reasonably represent the retail fair market value of these items.

Items such as disposals, built-in dishwashers, and built-in stoves are considered a part of the home and are not taxed separately from the home if installed at the time of the retail sale of the home.

117-335.5. Heat Pumps, Decks, Steps, Skirting and Similar Items

Heat pumps, air conditioning systems, skirting, steps, decks, septic tanks, wells, and driveways built or installed after the home is delivered to the construction site are not considered a part of the delivered home and are taxed separately from the home. The sale of

these items to, or the purchase of these items by, the person who will build or supply and install them is subject to the tax.

HISTORY: Added by State Register Volume 26, Issue No. 6, Part 2, eff June 28, 2002. Amended by State Register Volume 30, Issue No. 6, eff June 23, 2006; State Register Volume 31, Issue No. 7, eff July 27, 2007.