

A person who sells a manufactured home on a rental lot must pay sales tax, according to the state Department of Tax and Revenue.

Example: a person is selling his or her manufactured home in a community for \$30,000. The land is being rented and the home will remain where it is. It now is being used as a dwelling and it will remain a home after the sale. Must he or she pay sales tax?

Answer: He or she would pay sales tax, even if the land is rented. The home is treated as personal property, as a vehicle might be. The home would have a title.

Our Property Division referenced a section of code below:

§11-5-12. Mobile homes situate upon property owned by a person other than owner of mobile home.

Mobile homes situate upon property owned by a person other than the owner of the mobile home shall be classified as personal property whether or not said mobile home is permanently affixed to the real estate and, unless subject to assessment as Class II property under section eleven of this article or section two, article four of this chapter, shall be assessed as Class III or Class IV personal property, as may be appropriate in the circumstances.

A mobile home permanently attached to the real estate of the owner may not be classified as personal property if the owner has filed a canceled certificate of title with the clerk of the county commission and has recorded it in the same manner as deeds are recorded and indexed.

The amount of the tax follows:

§11-15-3. Amount of tax; allocation of tax and transfers.

(b) *Amount of tax.* -- The general consumer sales and service tax imposed by this article shall be at the rate of six cents on the dollar of sales or services, excluding gasoline and special fuel sales, which remain taxable at the rate of five cents on the dollar of sales.

(f) *Rate of tax on certain mobile homes.* -- Notwithstanding any provision of this article to the contrary, after the thirty-first day of December, two thousand three, the tax levied on sales of mobile homes to be used by the owner thereof as his or her principal year-round residence and dwelling shall be an amount equal to six percent of fifty percent of the sales price.