



Georgia Sales and Use Tax Informational Bulletin Related to Mobile, Manufactured, and Modular Homes

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This bulletin explains the application of Georgia sales and use tax to the sale or use of mobile, manufactured, and modular homes.

The application of Georgia sales and use tax to the sale or use of a mobile, manufactured, or modular home ("Manufactured Home") is dependent upon the specific transactional facts. The sale, lease, or rental of a manufactured home is subject to Georgia sales and use tax when the manufactured home maintains the character of tangible personal property. However, in certain instances, the sale of a manufactured home that is permanently incorporated into real property by the seller may not be subject to sales and use tax. The following information should be reviewed to determine if a transaction is subject to the tax.

Sales of Manufactured Homes

Georgia sales and use tax will ordinarily apply to the total sales price of a retail sale, lease, or rental of a manufactured home delivered in this state when the manufactured home retains the character of tangible personal property. In general, ownership of manufactured homes that are considered tangible personal property is established by a manufacturer's certificate of origin or title. A manufactured home is not considered to have the character of tangible personal property when ownership of the manufactured home is established on a warranty deed or other similar deed and the manufactured home's title is retired. "Sales Price" includes charges for transportation, dealer preparation fees, import duties, consumer fees, furniture, or other charges associated with the manufactured home's sale.

Charges that are not considered elements of the sales price, **when separately stated**, are:

- Extended Warranties
- Extended Service Agreements
- Setup Fees
- Tax and Title Fees
- Trade-In Allowances
- Finance Charges
- Charges for Underpinning
- Sewer Hookup

Real Property Sales

A home sold by a contractor, developer, or any other person to a purchaser where the terms of purchase provide for permanent incorporation of the manufactured home into the real property, is not subject to collection of sales tax from the purchaser. Sales transactions of this type are considered to be sales of real property with the contractor, developer, or other person selling the property deemed the consumer of any item incorporated into the real property (including the manufactured home). The contractor, developer, or other person performing the real property construction contract is responsible for any sales and use tax based upon the cost price charged by their supplier(s) for all tangible personal property used to fulfill their contract. If the contractor, developer, or any other person is also the manufacturer of the manufactured home, the manufacturer would be responsible for use tax based upon the fair market value of the manufactured home. Tax due for these items should not be charged to the purchaser. In order to insure that sales of manufactured homes sold as real property are recognized as such for Georgia sales and use tax purposes, the warranty deed or other deed must specifically convey any improvements to the property and specifically describe the manufactured home on the deed. Additionally, the seller or purchaser must retire any manufacturer's certificate of origin or title to the manufactured home through the county tax commissioner, tag agent, or other designated county agent.

Foreclosure Transactions

The sale of a foreclosed upon manufactured home by a mortgage or other financial institution is subject to sales and use tax as it would be for any sale that constitutes tangible personal property unless the foreclosed upon manufactured home is conveyed via a warranty deed or other deed, and the sale represents a sale of real property. If the manufacturer's certificate of origin or title was not previously retired, the sale will be recognized as a sale of real property should the mortgage or other financial institution selling the manufactured home, or the purchaser, immediately retire the manufacturer's certificate of origin or title. If the foreclosed upon manufactured home is not conveyed in a warranty deed or other deed, the sale will be subject to Georgia sales and use tax unless otherwise exempt under Georgia law.

The sale of a manufactured home to a contractor, developer, or any other person for real property installation where the seller does not do anything more than deliver the manufactured home to the home site is subject to Georgia sales tax. If the seller does not collect the tax, the contractor, developer, or other person then becomes responsible for payment of use tax at the time of purchase.

Lease and Rental of Homes

The lease or rental of a manufactured home for use at a temporary location is considered to be a lease or rental of tangible personal property. The lessor is required to collect sales tax based on the total gross lease or rental charges unless otherwise specifically exempt under Georgia law. If the leased or rented manufactured home is listed on a warranty deed or other similar deed of the lessor, the lease or rental charge is deemed a rental of real property and not subject to sales tax.

Items Used to Set up Manufactured Homes

The items used to set up a manufactured home are generally considered to be used by the retail dealer as opposed to being sold to the purchaser. The selling dealer is considered the consumer of the property because the items become part of the real property. Thus, the selling dealer would be responsible for either payment of sales or use tax to their supplier or payment of use tax to the State.

Examples of items used to set up a mobile home are:

- Concrete pads
- Block(s)
- Pinning materials
- Steps, decks, or porches
- Sewer and electrical connections
- Other items or materials that become part of the real property.

Exempt Sales

A manufactured home sale, lease, or rental where the manufactured home is not incorporated into the real property is subject to Georgia sales tax unless otherwise exempt under Georgia law. Following are examples of some of the most common types of exempt transactions.

Government Agencies. The sale, lease, or rental of a manufactured home directly to the federal government, the State of Georgia, and political subdivisions of the State of Georgia are exempt from sales tax. When sales are made to qualified government agencies, the transaction is required to be documented by a *Certificate of Exemption (Form ST-5)* and *Official Purchase Order*. Sales to state government agencies outside of the State of Georgia or foreign countries or their subdivisions, are not exempt from Georgia sales tax.

Out-of-State Delivery. The sale, lease, or rental of a manufactured home sold in Georgia but delivered by the selling dealer to the customer outside the State of Georgia, where the seller does not do anything but deliver the manufactured home, is not subject to Georgia sales and use tax. The selling dealer, if also making the delivery, must complete a *Certificate of Out-of-State Delivery (Form ST-6)*. If delivery is made using a common carrier, the delivery may be documented through the carrier's bill of lading. The documentation must be completed by the time of delivery. Note: If the dealer is installing the manufactured home into real property, this exception does not apply because the selling dealer would be considered a contractor for purposes of sales and use tax and would owe tax based upon their cost price charged by their supplier for all tangible personal property used to fulfill their contract.

Sales for Resale. A dealer who sells manufactured homes as tangible personal property as part of its regular course of business should furnish the supplier with a *Certificate of Exemption (Form ST-5)*. This Certificate of Exemption will enable the dealer to purchase tangible personal property for resale without payment of tax. Only one certificate needs to be filed with each supplier to cover subsequent purchases. Any dealer purchasing a manufactured home that will be sold as real property may not issue a Certificate of Exemption, and must pay the sales tax to the selling dealer. Transactions of this type are not considered to be sales for resale.

FOR MORE INFORMATION

Please call the Taxpayer Services Division, 8:00 a.m., to 4:30 p.m., ET, Monday through Friday, excluding holidays, at 404-417-4300. Persons with hearing or speech impairments may call our TDD number at 404-417-4302.

For forms and other information, visit our Internet site (www.dor.ga.gov).