

1981 Legislation

Chapter 861 - Applicable on and after December 31, 1981

Exemption For Mobile Homes or Factory Manufactured Homes

Subdivision (a) of section 1115, Article 28 of the Tax Law has been amended by the addition of a new paragraph, number 23. This paragraph provides an exemption from sales tax on sales of mobile homes and factory manufactured homes in all instances except:

1. where the sale of a mobile home or factory manufactured home is made by the manufacturer thereof to a dealer. (Such sale is not deemed to be a sale for resale.)
2. where the sale of a mobile home or factory manufactured home is made by a manufacturer directly to a purchaser other than a dealer (e.g. the purchaser of the home is also the user of the home).

In effect, only the first sale of a mobile home or a factory manufactured home will be subject to sales tax, regardless of whether the manufacturer sells to a dealer or directly to the ultimate consumer. Subsequent sales of these homes will not be subject to sales tax.

Paragraph 3 of subdivision (c) of section 1105, Article 28 of the Tax Law has been amended to provide for:

1. no tax due on the installation of mobile homes or factory manufactured homes.
2. tax due on the maintenance, service or repair of a mobile home or factory manufactured home.

This enactment is effective immediately and applies to all taxable years commencing on or after December 31, 1981. However, dealers of mobile homes and factory manufactured homes who purchased these homes from manufacturers thereof prior to December 31, 1981, shall pay the sales tax on all such new homes which are sold by them after December 31, 1981.

For purposes of this enactment, the following definitions apply:

Mobile home - a moveable or portable unit designed and constructed to be towed on its own chassis, comprised of frame and wheels, connected to utilities, and designed and constructed without a permanent foundation for year round living. A unit may contain parts that may be folded, collapsed or telescoped when being towed and expanded later to provide additional cubic capacity as well as two or more separately towable components designed to be joined into one integral unit capable of being again separated into the components for repeated towing. "Mobile home" shall mean units designed to be used exclusively for residential purposes, excluding travel trailers.

Factory manufactured home - a structure designed primarily for residential occupancy constructed by a method or system of construction whereby the structure or its components are wholly or in substantial part manufactured in manufacturing facilities intended or designed for permanent installation, or assembly and permanent installation, on a building site.

Examples

1. A person buys a mobile home from a dealer, for use as his residence.

The dealer pays the sales tax when he buys the mobile home from the manufacturer. No tax may be charged by the dealer to the person who will live in the mobile home, although the dealer may show the sales tax he paid to the manufacturer as part of his cost.

2. A person buys a mobile home from a dealer, to be used as a temporary office.

The dealer who paid the sales tax when he bought the mobile home from the manufacturer, must collect the sales tax from his customer who is not going to use the mobile home for residential purposes; and he may file a claim for a refund or credit of the tax he paid to the manufacturer.