
PARISH OF RAPIDES

SALES AND USE TAX DEPARTMENT

5606 COLISEUM BLVD. ALEXANDRIA, LA 71303
P.O. BOX 671 ALEXANDRIA, LA 71309-0671

DONNA J. ANDRIES, CPA, CTA
Tax Administrator

Phone (318) 445-0296
Fax (318) 449-4532
Email info@rpst.org

Statement of Position Taxability of Manufactured or Mobile Homes July 1, 2010

Rapides Parish Sales and Use Tax Department has received questions pertaining to the taxability of new and used manufactured or mobile homes which are defined in Section 5402 of Title 42 of the United States Code and subject to registration/titling by the Louisiana Department of Public Safety. Inquiries have also been made as to whether “Immobilization by Authentic Act” exempts a manufactured or mobile home from sales tax, as well as the taxability of the furnishings/contents contained therein. In response to these questions, our office issues the following opinion with regard to local sales and use taxes levied in Rapides Parish.

Immobilization by Authentic Act DOES NOT EXEMPT/EXCLUDE the sale of a manufactured or mobile home from local sales tax. The taxable transaction occurs the moment price, object, and consent coincide which is prior to the home being declared an immovable. The transfer of “title OR possession” constitutes a “sale” for purposes of local sales tax statutes. Therefore, because a mobile home buyer’s immobilization by Authentic Act CANNOT OCCUR until AFTER THE COMPLETION OF THE SALE, and because the “moment of taxation” will always occur BEFORE A DECLARATION OF IMMOBILIZATION CAN BE FILED, the sales tax will be owed by the buyer, REGARDLESS OF SUBSEQUENT IMMOBILIZATION by Authentic Act in accordance with LARS 9:1149.4. However, immobilization by Authentic Act would exclude any future sales of the immovable property from sales taxes as long as the home remained an immovable. If the manufactured or mobile home is later de-immobilized and sold, the provisions of LARS 47:301(16)(g) would apply (see below).

It is the opinion of this office that the retail sale of a new or used manufactured or mobile home is subject to local sales tax at 100% of the sales price if the buyer DOES NOT CERTIFY to the Department of Public Safety that the home is purchased for residential use. If the purchaser certifies the purchase of a new manufactured or mobile home for residential use, in accordance with Louisiana Revised Statutes 47:301(16)(g), currently only 46% of the sales price would be subject to sales tax (excluding furnishings). Likewise, if the purchaser of a used manufactured or mobile home certifies that the home will be for residential use, the sale would currently be totally excluded from the sales tax (excluding furnishings) in accordance with LARS 47:301(16)(g).

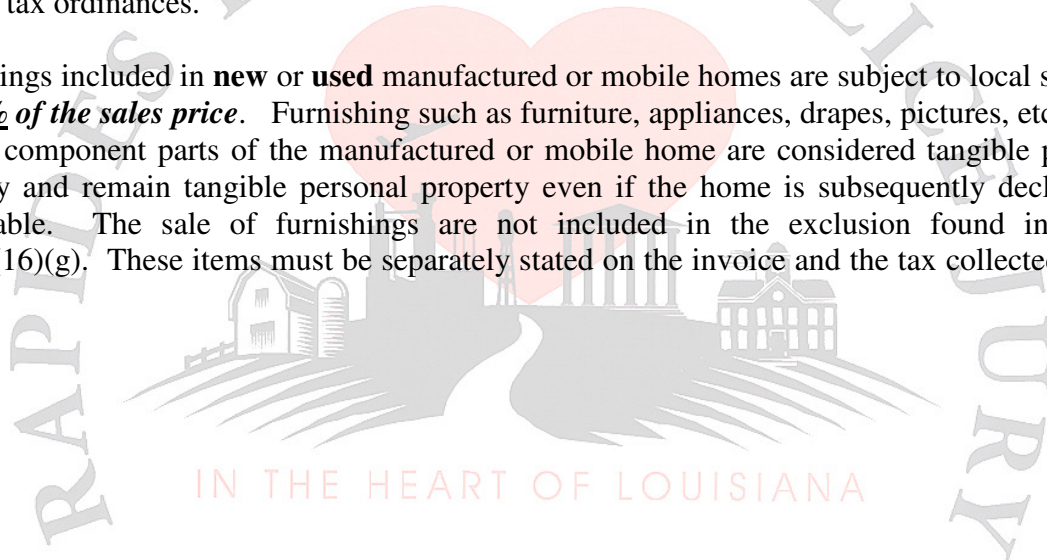
Louisiana Revised Statutes 47:301(16)(g) defines the percentage of sales price for a new or used manufactured or mobile home subject to sales tax if the purchaser certifies that the home is for residential use. There is no “Immobilization by Authentic Act” requirement in the LARS 47:301(16)(g). The taxable percentages of new and used manufactured/mobile homes are summarized as follows:

- *Effective January 1, 2003 and before January 1, 2004 – 86½ percent of a new and 75 percent of a use manufactured/mobile home is subject to tax;*

- *Effective January 1, 2004 and before January 1, 2005 – 73 percent of a new and 50 percent of a use manufactured/mobile home is subject to tax;*
- *Effective January 1, 2005 and before January 1, 2006 – 59½ percent of a new and 25 percent of a use manufactured/mobile home is subject to tax;*
- *Effective January 1, 2006, the term “tangible personal property” shall include a new manufactured home, for the initial sale from a dealer to a consumer, but only to the extent that forty-six percent of the retail sales price shall be so considered as “tangible personal property.” Thereafter, each subsequent resale of a manufactured home or mobile home shall not be considered as “tangible personal property.”*

Louisiana Revised Statute 32:707 states that “a purchaser of a mobile home, as defined by LARS 9:1149.2(3), **shall** apply for a new certificate of title on or before the twentieth day of the month following the month of delivery of the home. This statute requires the purchaser to apply for title and sets the delinquency date for applying for certificate of title and the payment of sales taxes. Payments made after this date would incur interest and penalty as provided by local sales and use tax ordinances.

Furnishings included in **new** or **used** manufactured or mobile homes are subject to local sales tax at **100% of the sales price**. Furnishing such as furniture, appliances, drapes, pictures, etc. which are not component parts of the manufactured or mobile home are considered tangible personal property and remain tangible personal property even if the home is subsequently declared an immovable. The sale of furnishings are not included in the exclusion found in LARS 47:301(16)(g). These items must be separately stated on the invoice and the tax collected by the dealer.



Note: This is strictly the opinion of Rapides Parish Sales and Use Tax Department and may not necessarily reflect the opinion of the Louisiana Department of Revenue. For information on state sales and use taxes, please contact the Department of Revenue.