

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 764  
**Version:** As introduced

**DATE:** February 20, 2015

**Authors:** Swedzinski and others

**Subject:** Modify the sales tax treatment of modular homes

**Analyst:** Pat Dalton

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### Overview

Modifies the sales tax treatment of modular homes by:

- treating their installment on a foundation not as a retail sale which shifts the tax to manufacturer, rather than to the buyer of the installed modular home; and
- providing that the sales tax on a modular home is taxed on 65 percent of its invoice price. Manufactured housing is treated the same way and 65% reflects the approximate share of the total cost of this housing due to building materials compared to labor.

### Section

- 1 Retail sale.** Modifies the definition of retail sale to specifically exclude the installation of modular housing on a permanent foundation by the manufacturer or the manufacturer's subcontractor. The sales tax will now applies to the value of the modular house, before installation, rather than the total value of the housing after installation. Effective July 1, 2015.
- 2 Manufactured housing and park trailers; modular housing.** Imposes the sales tax on modular housing used for residential purposes on 65% of the invoice price. This is similar to the tax treatment of manufactured housing and park trailers.