

Mobilehomes and Factory-Built Housing

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PREFACE

This publication explains how California’s sales and use tax laws apply to mobilehomes and factory-built housing. We use the term “mobilehome” instead of “manufactured home” in this publication since that term is used in related state regulations.

This publication does not address your obligations under property tax laws, mobilehome registration laws, building permits, and so forth. For example, if you are a mobilehome dealer, you are required to report the sale of a mobilehome to the assessor of the county where the mobilehome is to be installed, regardless of whether the mobilehome is subject to property tax or license fees. If you have questions about:

- Property tax, please contact your county assessor.
- Registration and licensing, please contact the Department of Housing and Community Development (see www.hcd.ca.gov).

If you cannot find the information you are looking for in this publication, please call the BOE Customer Service Center. Staff will be glad to answer your questions.

This publication supplements [publication 73](#), *Your California Seller’s Permit*. That publication, provided to first-time applicants for seller’s permits, includes general information about obtaining a permit; using a resale certificate; collecting and reporting sales and use taxes; buying, selling, or discontinuing a business; and keeping records. If you do not have a current copy, you may download the publication from the BOE website, use the BOE website ordering system to order a printed copy, or call the BOE Customer Service Center.

We welcome your suggestions for improving this or any other publication. If you would like to comment, please send your suggestions to:

Audit and Information Section, MIC:44
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Note: This publication summarizes the law and applicable regulations in effect when the publication was written, as noted on the cover. However, changes in the law or in regulations may have occurred since that time. If there is a conflict between the text in this publication and the law, decisions will be based on the law and regulations.

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To contact your Board Member, see www.boe.ca.gov/members/board.htm.

DEALER SALES AND LEASES OF NEW MOBILEHOMES AND RELATED ITEMS

This section provides basic information on dealer sales of new mobilehomes and related items. If after reading this section you need more information about new mobilehome sales, see [Regulation 1610.2](#), Mobilehomes and Commercial Coaches.

Mobilehomes

A “mobilehome” (often called a “manufactured home”) is a structure that is:

- Transportable in one or more sections;
- Designed and equipped to contain not more than two dwelling units; and
- To be used with or without a foundation system.

A “dwelling unit” is:

- One or more rooms people can live in;
- Designed to be occupied by one family; and
- A living facility for sleeping, cooking, and eating purposes, with sanitation and utility fixtures, such as plumbing, heating, air conditioning, and electrical systems.

Recreational vehicles, commercial coaches, and factory-built houses are *not* considered mobilehomes.

For information on sales of factory-built housing, see [Factory-Built Housing](#).

If you manufacture mobilehomes or manufactured homes and wish to have them approved for sale in California, please contact the Department of Housing and Community Development for more information (see www.hcd.ca.gov).

For information on the sale or purchase of recreational vehicles and commercial coaches, see [publication 34](#), *Motor Vehicle Dealers*.

Sales for nonresidential use

As a mobilehome dealer, you are the retailer of a new mobilehome you sell for any use *other than* occupancy as a residence. For example, you might sell a mobilehome to a building contractor for use as an office on a construction site.

As a retailer, if the new mobilehome is not sold for occupancy as a residence, you generally owe sales tax on the full selling price of the mobilehome unless the sale is otherwise exempt, such as a sale to the United States government.

Sales for residential use

■ Dealer may be a “retailer-consumer”

A mobilehome dealer is considered a “retailer-consumer” of any new mobilehome sold to a customer for occupancy as a residence when these two conditions apply:

- The mobilehome will be subject to property tax after its sale. All new mobilehomes sold for residential use are subject to local property tax. This is true whether they are installed on a permanent or temporary foundation; and
- The sales to your customer would ordinarily be subject to sales tax (for example, it is not a sale for resale, a sale to the United States government, or a sale in interstate or foreign commerce). For more exemptions

and exclusions that may apply to mobilehome sales, see [Related Sales and Use Tax Exemptions](#).

Manufacturers can also be retailer-consumers under certain circumstances. See [Manufacturers as retail-consumers](#).

■ *Use tax applies—not sales tax*

As a dealer who is a retailer-consumer of a mobilehome, use tax is imposed upon you, as the consumer. Sales tax does not apply to the amount you charge your customer for the mobilehome and integral items you attach to it such as carpeting, wall paneling, room partitions, and built-in appliances.

When sales tax does not apply as described above, you will owe *use tax* based on 75 percent of your purchase price which includes all of the following:

- The cost of the mobilehome;
- All items you purchase and attach as an integral part of the mobilehome before the sale or under the sales contract, such as carpeting, wall paneling, room partitions, and built-in appliances; and
- Draperies and freestanding refrigerators and ranges included in your sale of the mobilehome, if they were not included in the price you paid for it.

When you sell a mobilehome as a retailer-consumer, you cannot collect an amount for tax reimbursement from your customer.

Please note: Your purchase price of a new mobilehome also *includes any labor charges you paid another person or business* for installing any of the items listed above.

For a sample transaction showing amounts subject to tax in a dealer sale of a mobilehome not installed as real property, (see [Appendix](#)).

Certification of exemption

As the “retailer-consumer,” the dealer is required to declare and pay tax on 75 percent of the dealer’s purchase price of the mobilehome. To qualify for this special tax exemption, you must obtain and keep written certification at the time of the sale confirming that your customer will use the mobilehome as a residence. An exemption certificate is provided in the appendix and is available from the BOE website at www.boe.ca.gov which may be used for this purpose.

■ *Date of sale*

Generally, you owe the use tax as of the date you sell the mobilehome. The date of sale is generally considered to be the date you transfer title (ownership) to the purchaser. However, if you retain title to the mobilehome as security for future payments, the date of sale is the date you transfer possession of the mobilehome to the buyer.

Sale with installation

When your sale includes installing the mobilehome on a permanent foundation, the date of sale is the date the installation is complete. Installation is complete when you deliver possession of the mobilehome to the purchaser or when escrow closes on the sale, whichever happens *first*.

Sales of accessories and other items

■ *Items not attached to real property*

Mobilehome dealers sometimes sell furniture and other accessory items that are not attached to the mobilehome or other real property. Those items are *not* an integral part of the mobilehome and do not qualify

for the special tax treatment previously described. You are the retailer when you sell those items, so you owe sales tax based on their full selling price.

If you sell these items with the mobilehome, you should list them separately on your customer invoice. And you should be careful to exclude the *cost* of these items when you calculate the 75 percent use tax on a mobilehome sale (see [Appendix](#)).

■ *Items attached to real property*

You may also sell accessory items that *are* attached to real property, including mobilehomes that qualify as real property (see [Mobilehome and Accessories Installed as Real Property](#)). Typical items that fall in this category include:

- Window awnings
- Skirting
- Air-conditioning units
- Sunroom or patio additions

If you sell but *do not* attach or install accessory items of this type, you are the retailer of the items and owe sales tax on their sale (see [Appendix](#)).

But if you *do* attach the items to real property, you are considered a construction contractor, and additional sales and use tax rules apply. For more information, see [Mobilehomes and Accessories Installed as Real Property](#).

Manufacturers as retailer-consumers

Under some circumstances, mobilehome manufacturers may also be retailer-consumers. If a manufacturer sells a new mobilehome directly to a purchaser for occupancy as a residence without going through a licensed dealer, the manufacturer becomes a retailer-consumer.

When a manufacturer is a retailer-consumer, the manufacturer owes tax based on 75 percent of the price for which the manufacturer would sell a similar mobilehome, ready for installation, to a retailer-consumer in California.

Applying tax to sales-related charges

■ *Transportation charges*

Charges for transporting a mobilehome from supplier to retailer-consumer

When you are a retailer-consumer selling a mobilehome for residential use, you may need to include transportation costs in the purchase price on which you base your 75 percent use tax calculation.

You should include transportation charges in your purchase cost when either of the following apply:

- The supplier sells you the mobilehome for a price that includes delivery; or
- The supplier charges you for delivery and delivers the mobilehome using the supplier's own trucks and trailers rather than a common or contract carrier. *Exception:* The delivery charges are not taxable if title transfers to you before shipment and the supplier separately states the charges.

However, if all of the following conditions apply to a mobilehome shipped to you, you should not include the shipping charges in your taxable cost:

- The supplier stated the shipping charges separately from the price of the mobilehome;
- The mobilehome was delivered by contract or common carrier; and
- The shipping charges did not exceed the supplier's delivery cost.

Charges for transporting a mobilehome from retailer to purchaser

As a mobilehome retailer, you may owe tax on your charges for transporting a mobilehome to a purchaser in either of the following situations:

- You sell the mobilehome for a purpose other than residential use; or
- You do not qualify as a retailer-consumer for the transaction.

However, your delivery charges are *not* taxable if you deliver the mobilehome using a common or contract carrier, list the charges separately, and charge your customer no more than your actual delivery cost. Any excess charges are taxable.

For more information, you may review [Regulation 1628, Transportation Charges](#).

■ **Setup charges**

The setup of a mobilehome ordinarily includes services such as site preparation, placing of supports, joining sections, leveling, carpet installation, and so forth. The setup may be done by the seller or another person.

Carpet installation

- When you are a retailer-consumer, tax does not apply to your cost for, or charges for labor when you install the carpet.
- When you are a retailer-consumer and pay someone else to install the carpet in a new mobilehome that is not attached to a permanent foundation (not real property), your 75 percent use tax calculation must include the amount you pay for that work.
- Charges for labor to install carpeting in a mobilehome already on a permanent foundation are not taxable. (See [Mobilehomes and Accessories Installed as Real Property](#)).

Joining sections

- A retailer-consumer's charges for joining sections of a mobilehome are not taxable when the retailer-consumer does the work.
- When a retailer-consumer pays someone to join sections of a mobilehome that is (1) not real property, but (2) sold as a residence, the retailer-consumer must include the cost for the work in their 75 percent use tax calculation.
- A retailer's charges for joining sections of a mobilehome that is *not real property* are taxable (as fabrication labor).

Miscellaneous

- **Jacks and pads.** Dealers are retailers of jacks and pads used as supports for mobilehomes. Their sale is subject to sales tax.
- **Other services.** Other costs or charges for services included in setting up mobilehomes generally are not taxable.

■ **Escrow fees**

Tax does not apply to separately stated charges for escrow fees for the sale of a new or used mobilehome.

Leases of mobilehomes

Tax does not apply to amounts you receive for lease payments on a mobilehome that is real property and subject to local property tax. However, tax may apply to the receipts from lease payments for a new mobilehome that is not real property.

■ *Mobilehomes first leased before July 1, 1980*

For mobilehomes that are not real property, use tax generally applies to the lease payments if the mobilehome was acquired *without payment of sales or use tax* and first leased before July 1, 1980. Generally, the lessor collects the use tax from the lessee and pays the tax to us. If that mobilehome becomes real property subject to local property tax, the lease payments will no longer be taxable.

If sales or use tax *was* paid on a mobilehome when it was first acquired, and it is being leased in substantially the same form that existed at the time of purchase, the lease payments on the mobilehome are not taxable.

■ *Mobilehomes first leased on or after July 1, 1980*

Mobilehome leased for residential use

Tax does not apply to lease payments you receive from a lessee who uses a new mobilehome as a residence. However, as a lessor, you owe use tax on the value of the mobilehome unless you paid sales or use tax when you bought it. Use tax is due at the time you lease the mobilehome, calculated as follows:

- If you obtained the mobilehome from a manufacturer, you owe use tax based on 75 percent of the amount you paid the manufacturer.
- If you obtained the mobilehome from a vendor, you owe use tax based on 75 percent of the amount the vendor paid for the mobilehome. When you don't have evidence of that amount, you should calculate the use tax based on 60 percent of the amount you paid the vendor.

Mobilehome leased for another purpose

Lessors owe tax on their full retail purchase price for new mobilehomes leased for a nonresidential use.

Leases of used mobilehomes

Tax does not apply to receipts from the lease of used mobilehomes that were first sold new in California on or after July 1, 1980.

■ *For more information*

For more information on the leasing of mobilehomes, you can request a copy of [Regulation 1660, Leases of Tangible Personal Property—in General](#), or [publication 46, Leasing Tangible Personal Property](#).

DEALER PURCHASES AND USE OF NEW MOBILEHOMES AND RELATED ITEMS

This section describes common mobilehome dealer purchases, including purchases for resale. For more general information on purchases for resale and issuing resale certificates, see [publication 73](#), Your California Seller's Permit, and [publication 103](#), Sales for Resale. You may also obtain a copy of [Regulation 1668](#), Sales for Resale, and [Regulation 1669](#), Demonstration, Display and Use of Property Held for Resale—General.

Purchases for resale, in general

As a mobilehome dealer, you may issue resale certificates to manufacturers and suppliers when you buy items you will sell as a retailer or retailer-consumer. You may also issue resale certificates when you buy items that will become a physical part of products you sell.

Common products you may purchase for resale include:

- Mobilehomes.
- Items you will attach to mobilehomes before you sell them, such as carpeting, wall paneling, room partitions, and built-in appliances.
- Mobilehome accessory items you will not attach to real estate.
- Furniture and home furnishings, under certain circumstances (see below).

Furniture and furnishings used to enhance mobilehomes for sale

You may purchase furniture and other home furnishings to enhance the appearance of a mobilehome while not offering the furnishings for resale. For example, you might furnish a model mobilehome to make it more appealing to potential buyers.

However, you may buy furniture or accessories for resale if you do both of the following. You must:

- Regularly include the items with the sale of a mobilehome; and
- Offer the items for sale in your business and not use them before sale for any purpose other than demonstration and display.

Taxable use of a mobilehome

You owe use tax when you buy a new mobilehome for resale and then use it for a purpose other than for demonstration and display. For example, you might buy a new mobilehome and use it as an office.

When you use a mobilehome before you sell it or instead of selling it, you are considered the consumer of the mobilehome and use tax applies to your full purchase price. You should pay the use tax with your sales and use tax return for the period in which you first use the mobilehome as an office or other facility.

Example:

You are a mobilehome dealer who maintains an inventory of mobilehomes you purchased for resale. You take one of those mobilehomes out of inventory and give it to your daughter to use as a temporary residence while her home is under construction. The gift of the mobilehome is a taxable use. Since you did not pay tax on the mobilehome when you bought it, you now owe use tax based on its full purchase price. By withdrawing the mobilehome from your inventory and gifting it to your daughter, you are making a taxable use of the mobilehome. You are not regarded as a "retailer-consumer" since you did not **sell** the mobilehome to your daughter for occupancy as a residence.

CONSUMER PURCHASES OF NEW MOBILEHOMES FROM OUT-OF-STATE DEALERS AND MANUFACTURERS

This section discusses the purchase of mobilehomes by consumers who have mobilehomes delivered to them in California. If a consumer takes possession of a mobilehome and then brings it into the state, other rules may apply. For more information on those situations, see the BOE website: www.boe.ca.gov.

In general

Consumers who buy new mobilehomes from out-of-state retailers for delivery and use in California generally owe use tax on their purchase. The use tax rate in a particular location is the same as the sales tax rate. The Department of Housing and Community Development collects the use tax when the mobilehome is first registered in the state.

Purchases for residential use

■ *From dealers*

The consumer owes use tax based on 75 percent of the price the out-of-state dealer paid for the mobilehome. When the purchaser does not have satisfactory proof of that price, such as a statement from the dealer or an invoice, the use tax is based on 60 percent of the amount paid to the dealer.

■ *From manufacturers*

If you obtain a mobilehome for use as a residence, from an out-of-state manufacturer, you owe use tax based on 75 percent of the amount you paid the manufacturer.

Purchases for nonresidential use

When a mobilehome is used for a nonresidential purpose, use tax is due on the full purchase price of the mobilehome.

When is the use tax due?

For purchases of mobilehomes, the use tax is due when the property is first used in California.

RELATED SALES AND USE TAX EXEMPTIONS

There are a number of exemptions and exclusions in the California Sales and Use Tax Law. The retailer-consumer provisions apply only when a dealer or manufacturer's sale would ordinarily be subject to sales tax. If after reading this chapter and related resources you're still not sure whether your transaction is taxable, please call the BOE Customer Service Center for help.

Sales in interstate and foreign commerce

Shipments outside the state—when sales tax does not apply

Sales tax does not apply when the contract of sale requires the mobilehome to be shipped to a point outside this state by you, the retailer, by means of:

1. Facilities operated by the retailer; or
2. Delivery by the retailer to a carrier, customs broker or forwarding agent, whether hired by the purchaser or not, for shipment to an out-of-state location.

The term "carrier" means a person or firm regularly engaged in the business of transporting for compensation tangible personal property owned by other persons, and includes both common and contract carriers. The term "forwarding agent" means a person or firm regularly engaged in the business of preparing property for shipment or arranging for its shipment. An individual or firm not otherwise engaged in this type of business does not become a "carrier" or "forwarding agent" simply by being designated by a purchaser to receive and ship goods to a point outside this state.

Proof of exemption

Bills of lading or other documentary evidence of the delivery of the property to a carrier, customs broker, or forwarding agent for shipment outside this state must be retained by the retailer to support exempt interstate sales.

Exports

When sales tax does not apply

Sales tax does not apply when the property is sold to a purchaser for shipment abroad and is shipped or delivered by the retailer to a foreign country. To be exempt as an export:

- The property must be intended for a destination in a foreign country;
- It must be irrevocably committed to the exportation process at the time of sale; and
- The property must actually be delivered to the foreign country prior to any use of the property.

Movement of the property into the exportation process does not begin until the property has been shipped, or entered with a common carrier for transportation to another country, or has been started upon a continuous route or journey which constitutes the final and certain movement of the property to its foreign destination.

There has been an irrevocable commitment of the property to the exportation process when the property is sold to a purchaser for shipment abroad and is shipped or delivered by the retailer in a continuous route or journey to the foreign country by means of:

- Facilities operated by the retailer;
- A carrier, forwarding agent, export packer, customs broker, or other person engaged in the business of preparing property for export, or arranging for its export; or

- A ship, airplane, or other conveyance furnished by the purchaser for the purpose of carrying the property in a continuous journey to the foreign country, title to and control of the property passing to the purchaser upon delivery.

Proof of exemption

Bills of lading, import documents of a foreign country or other documentary evidence of export must be obtained and retained by retailers to support exempt exports.

For more information, see [Regulation 1620, Interstate and Foreign Commerce](#), [publication 101, Sales Delivered Outside California](#), and [publication 61, Sales and Use Taxes: Exemption and Exclusions](#). Forms [BOE-447, Statement Pursuant to Section 6247 of the California Sales and Use Tax Law](#), and [BOE-448, Statement of Delivery Outside California](#), are available to document your claimed exempt sales (see [For More Information](#)).

Sales to the United States Government

Tax does not apply to sales and leases to any of the following:

- The United States or its unincorporated agencies and instrumentalities.
- Any incorporated agency or instrumentality of the United States that is wholly owned by either the United States or a corporation wholly owned by the United States.
- The American Red Cross, including its chapters and branches.

Examples of entities that qualify under this exemption are found in BOE [publication 102, Sales to the United States Government](#).

This exemption does not extend to construction contracts with the United States government if under the contract, you supply a mobilehome and attach it to a foundation. For more information, see [Regulation 1521\(c\), Construction Contractors](#).

You must document all exempt sales to the United States government and retain the documentation in your records. Documentation should include the United States government purchase order or other documents demonstrating direct payment by the United States government. For more information, see [Regulation 1614, Sales to the United States and its Instrumentalities](#), and [publication 102, Sales to the United States Government](#).

Sales to Indians living on reservations

Tax does not apply to the sale of a new mobilehome when all of the following conditions apply:

- The purchaser is an Indian who lives on a reservation. The terms *Indian* and *reservation* are defined in [Regulation 1616, Federal Areas](#);
- The mobilehome is delivered to the Indian buyer on a reservation; and
- Title (ownership) to the mobilehome transfers to the Indian purchaser on a reservation.

■ *Transfer of title (ownership) on the reservation*

How tax applies to a particular sale or purchase by an Indian often depends on whether ownership of the item being sold or purchased transfers to the Indian purchaser on the reservation.

Sale by retailer not located on a reservation

Retailers located outside a reservation may sell to Indian buyers who request delivery on a reservation. For a sale to qualify as a transfer of title (ownership) on the reservation, all of the following conditions must apply:

- The contract of sale or other sales agreement cannot transfer ownership of the item to the Indian buyer before the item is delivered on the reservation; and
- The Indian buyer cannot take possession of the item before delivery on the reservation.

In addition, the retailer generally must deliver the product by:

- Using the retailer's vehicle; or
- By common carrier or contract carrier, when both of the following requirements are met:

The contract of sale or sales invoice must include a statement specifically requiring delivery at the reservation, and the bills of lading must have an F.O.B. destination clause.

The goods are in fact delivered to the Indian reservation.

When delivery does not take place as described here, ownership of the item being sold or purchased generally transfers to the Indian buyer off the reservation.

Please note: This is a general description of transfer of ownership on the reservation. Other specific rules may apply to certain types of sales and leases.

■ *Claimed exempt sales to Indians require documentation*

Retailers

When you make a claimed exempt sale to an Indian, you should keep copies of documents that BOE auditors can use to verify that your sale is exempt. You need:

- One or more documents that show the purchaser is an Indian, such as a tribal ID card, a letter from a tribal council, or a letter from the United States Department of the Interior (or Bureau of Indian Affairs);
- Documents to show that ownership of the merchandise transferred to the Indian buyer on the reservation and delivery occurred there, such as contracts of sale, invoices, bills of lading, delivery receipts, and freight invoices; and
- An exemption certificate from the Indian purchaser stating that the Indian purchaser lives on a reservation. You may obtain a copy of [BOE-146-RES, Exemption Certificate and Statement of Delivery in Indian Country](#), for this purpose on the BOE website.

Purchasers

If you are an Indian who lives on a reservation, you will need to prove to the retailer that you qualify for the tax exemptions explained in this publication. You may need to give the retailer both of the following:

- A copy of a document showing that you are an Indian, such as a tribal ID card, a letter from your tribal council, or a letter from the United States Department of the Interior (or Bureau of Indian Affairs).
- An exemption certificate stating that you live on a reservation and other required contents (see next section).

If you are an Indian organization, you must also provide documents to prove that you qualify for the tax exemptions explained in this publication. You may need to give the retailer:

- Documents to show that all of your members or partners are Indians, such as articles of incorporation and partnership agreements;
- If your organization is a corporation, documents to show it is organized under tribal authority, such as the organization's articles of incorporation; and
- An exemption certificate containing certain other required content (see next section).

Exemption certificates

An *exemption certificate* based on an Indian's residency on a reservation must be in writing. A [BOE-146-RES, Exemption Certificate and Statement of Delivery in Indian Country](#), or a simple document in the form of a letter may be used. The certificate must include all of the following:

- *For individuals:* The date and the Indian purchaser's name, home address, and signature. *For Indian organizations:* The date, the organization's name and address, and the title and signature of the person completing the certificate;
- A description of the products or merchandise purchased under the certificate; and
- A statement that the property is being purchased for use on a reservation by an Indian who lives on a reservation.

If you accept an exemption certificate from an Indian purchaser in good faith, the BOE audit staff should not question the residency of the purchaser. However, if you have evidence or knowledge that the Indian may not live on a reservation (for example, if the Indian asked you to send the bill to a non reservation address), you should not accept an exemption certificate in good faith unless the Indian buyer gives you other reliable documents to verify residency on a reservation.

Please note: The Indian buyer is not required to live on the same reservation where ownership transfers. In other words, a resident of Reservation A could qualify for the exemption even when taking ownership of merchandise on Reservation B.

[Regulation 1667, Exemption Certificates](#), and [BOE-146-RES, Exemption Certificate and Statement of Delivery in Indian Country](#), are available from the BOE [website](#) or by calling the BOE Customer Service Center.

■ *Use off the reservation*

A sale of a mobilehome to an Indian buyer who lives on a reservation and takes ownership and delivery on a reservation will not be exempt from tax if the mobilehome is used outside the reservation more than one-half of the time in the first 12 months after the sale.

In this case, the Indian buyer owes the use tax and is responsible for paying it:

- You can report your purchase subject to use tax on the BOE website at www.boe.ca.gov, by selecting [New Registration](#), and then [Pay use tax, file an exemption or request a tax clearance](#). You can also report your purchases of mobilehomes subject to use tax in person at any of the BOE [field offices](#). Please contact the BOE Customer Service Center for assistance at 1-800-400-7115 (TTY:711);
- On the Indian buyer's California income tax return; or
- If the Indian buyer has a California seller's permit, when filing the *Sales and Use Tax Return*.

■ *Married couples or registered domestic partners*

When an off-reservation retailer makes a sale to both members of a married couple or registered domestic partners, and one of the couple is an Indian who resides on a reservation, the following rules apply:

- Tax does *not* apply to the one-half interest in the property attributable to the Indian partner or spouse who lives on a reservation if the ownership of the merchandise is transferred to the couple or partners on the reservation, and title to the merchandise transfers on the reservation. The Indian spouse or partner may be liable for use tax if the property is used off the reservation more than on the reservation during the first 12 months following delivery.
- Tax does apply to the one-half interest in the property attributable to the non-Indian partner or spouse.

MOBILEHOMES AND ACCESSORIES INSTALLED AS REAL PROPERTY

Mobilehomes are considered real property when they are installed on permanent foundations. This section discusses sales and use tax issues related to mobilehomes and accessories that are considered real property after installation. You may obtain a copy of [Regulation 1521](#), Construction Contractors, or [publication 9](#), Construction and Building Contractors.

Real property

Real property generally means land and improvements to land, including houses, and other structures, fences, orchards, and so forth.

Generally, only mobilehomes *fastened or pinned to a “permanent foundation”* qualify as real property.

A permanent foundation is considered to be an assembly of building materials that is all of the following:

- Constructed below or partly below ground level;
- Not intended to be removed from the installation site;
- Designed to support a structure; and
- Engineered to resist natural forces such as wind, rain, snow, and so forth.

Other foundation systems, including assemblies of steel or cement and block commonly called “piers” or “jacks and pads” are considered nonpermanent or temporary foundations. Mobilehomes on this kind of foundation are personal property rather than real property.

Mobilehome sales to construction contractors

A dealer or manufacturer is considered to be the retailer-consumer of a mobilehome sold to a construction contractor who will install the mobilehome on a permanent foundation for occupancy as a residence. For details on how tax applies if you are a retailer-consumer, see Sales for residential use and Manufacturers as retail-consumers. The dealer’s or manufacturer’s tax liability is as follows:

- **If a manufacturer** sells a new mobilehome for occupancy as a residence to a construction contractor, directly to the customer, or without going through a licensed dealer, the manufacturer is the “retailer-consumer” and must report and pay tax computed on 75 percent of the sales price for which a similar mobilehome, ready for installation, would be sold by that manufacturer to a dealer who is a “retailer-consumer” in this state.
- **When a dealer** sells a mobilehome to a construction contractor to be affixed to land for occupancy as a residence, the dealer must report and pay use tax measured by 75 percent of his or her own purchase price of the mobilehome, including the cost of any accessory items that are an integral part of the mobilehome being sold.

A construction contractor who is not licensed as a mobilehome dealer may not issue a resale certificate for the purchase of a mobilehome that will be installed on a permanent foundation.

Dealers and manufacturers as construction contractors

You are considered a construction contractor for sales and use tax purposes when you furnish and install items that you are responsible to attach to real property. Please refer to [publication 9](#), *Construction and Building Contractors*.

■ Dealers

If you are both a construction contractor and a licensed mobilehome dealer for a transaction, you are a retailer-consumer when you sell a mobilehome that will be installed on a permanent foundation and you may issue a

resale certificate for the purchase of the mobilehome. As a retailer-consumer, you must report tax on 75 percent of the cost of the mobilehome on the return for the period during which the mobilehome is installed on a permanent foundation. For more on how tax applies to your sale, see [Use tax applies – not sales tax](#).

■ *Manufacturers*

Manufacturers are considered construction contractors when they sell a mobilehome without going through a dealer and install the mobilehome on a permanent foundation. The manufacturer is the consumer of the materials and the retailer of any fixtures supplied and installed. (When the customer is the United States government, the manufacturer is the consumer of all related fixtures *and* materials and the retailer of furniture and unattached accessory items.) See the next section for information on sales of materials and fixtures.

Contractors' charges for work on real property

You may furnish and attach items that become a part of the mobilehome, either as part of its initial sale or as part of repairs. For sales and use tax purposes, work done on a mobilehome that is considered real property is the same as work done in any other construction contract.

■ *Items that are not an integral part of the mobilehome*

Construction contractors are retailers when they sell accessory items that are not an integral part of the mobilehomes, such as furniture or other home furnishings (see [Items not attached to real property](#)). The sale of those items is subject to sales tax.

■ *Sales of materials*

In general, construction contractors are consumers of materials which they furnish and install in the performance of *lump-sum* construction contracts. Either sales tax or use tax applies with respect to the sale of the materials or the use of the materials by the construction contractor. Examples include wall-to-wall carpeting, roofing, tile, hardware, flooring, wallboard, paint, concrete, fencing materials, decking, lumber, and so forth.

If you bill your customer one *lump-sum* amount for work done on real property, you are the consumer of any materials you purchase and install for the contract. Tax is due on your purchase of those materials. You should not collect any tax from your customer.

You are also generally considered the consumer in a *time-and-material* construction contract if you pay tax when purchasing your materials and do not separately state charges for tax to your customer. However, you are not a consumer in a time-and-materials contract when you bill a separate amount for the materials and one of the following is true:

- The contract explicitly states that ownership of the materials transfers to the customer before they are installed; or
- You charge your customer for "sales tax" computed on a marked-up billing for materials.

In either of these cases, you are considered the retailer of the materials you furnish for the job and your charges for them (their retail selling price) are taxable.

■ *Sales of fixtures*

Items that are accessory to a building or structure and that do not lose their separate identity and function after installation are considered *fixtures*. Examples include skirting, air conditioning units, plumbing fixtures, shutters, and window awnings.

Your sale of fixtures is generally taxable, but your charges for installing them are not.

■ *Labor charges*

Generally, tax does not apply to your charges for labor for work done on real property. However, some types of contractor labor are taxable. For more information, please see [publication 9, *Construction and Building Contractors*](#).

Subcontracted work on real property

When dealers hire contractors to perform work on real property, the contractor generally remains liable for the sales tax as explained on the previous page. The dealer's charges to the purchaser for the work are not taxable.

For example, you might sell a mobilehome to a purchaser and include a patio cover in the sale. You hire a contractor to furnish and install the patio cover. The contractor will install the patio cover by attaching its supports to a concrete slab and bill you for the work in one, *lump-sum* amount. A construction contractor may contract to sell materials and also to install the materials sold. In the case of a time and materials contract, if the contractor bills the customer an amount for "sales tax" computed upon a marked-up billing for the materials, the contractor is considered to be a retailer of the materials.

The contract must explicitly provide for the transfer of title to the materials prior to their installation and separately state the sales price of the materials, from the charge for installation. The contractor's lump-sum charges to the dealer are not taxable.

SALES AND PURCHASES OF USED MOBILEHOMES

This section provides information about the sale of used mobilehomes by dealers and other sellers. It also includes information on purchases from other sellers. For more information, see [Regulation 1610.2](#), Mobilehomes and Commercial Coaches.

Used mobilehome defined

A “used mobilehome” is a mobilehome that was previously sold *and* registered or titled with any of the following:

- The Department of Housing and Community Development (HCD) or with an appropriate agency or authority.
- Any other state, the District of Columbia, or a territory or possession of the United States.
- A foreign state, province, or country.

Sales of used mobilehomes that are subject to property taxes

Generally, neither sales tax or use tax applies to the sale or use of used mobilehomes that are considered real property and subject to property taxes. In general, property tax applies to a used mobilehome situated on a permanent foundation that meets either of the following conditions:

- It was originally sold new on or after July 1, 1980; or
- It was originally sold new before July 1, 1980, and later transferred to the property tax rolls.

Sales of used mobilehomes subject to annual license fees

In general, sales or use tax applies to the sale or purchase of a used mobilehome that is subject to annual license fees under the Health and Safety Code—in other words, mobilehomes that must be registered annually with the HCD. Mobilehomes that are considered real property are not subject to annual license fees.

■ *Sales by dealers*

Sales tax generally applies to a dealer’s charges when not acting as a broker, for the sale of a used mobilehome that is subject to annual license fees (see *Dealers as brokers*). “Dealers,” in this situation, include licensed manufacturers, dealers, distributors, or branches or representatives of manufacturers. The sales tax is based on the total price you charge for the mobilehome, including any separately listed charges for awnings, skirting, and other accessory items that are not attached to a mobilehome situated on a permanent foundation or otherwise attached to real property. However, if you sell a used mobilehome in place, tax does not apply to any existing real property improvements you list separately on your invoice or contract, such as cement and landscaping.

Dealers as brokers

Sometimes a mobilehome dealer will act as a broker and sell a used mobilehome on behalf of another person or business. In those situations, the *purchaser* of the mobilehome owes use tax on the *retail value* of the mobilehome determined by referencing a current recognized value guide. For information on what retail value means in this case, see [Determining retail value](#).

Purchases from parties other than a dealer

When a person buys a used mobilehome from someone other than a dealer that is required to be registered annually under the Health and Safety Code, the *buyer* generally owes use tax on the purchase when you register the mobilehome with the HCD. Examples include sales by:

- Dealers who are acting as brokers rather than retailers.
- Licensed real estate brokers acting consistent with Business and Professions Code section 10131.6.
- Private parties.

The tax is based on the retail value of the mobilehome, as explained in [Determining retail value](#).

Possible exempt sales

■ *Sales within a family*

Tax may not apply to the sale or purchase of a used mobilehome when the seller and purchaser are family members and the seller is *not* in the business of selling mobilehomes.

For example, neither sales nor use tax applies to the sale or use of a mobilehome sold to the purchaser by the purchaser's:

- Parent, grandparent, child, grandchild, spouse, or registered domestic partner.
- Brother or sister, provided both parties to the transaction are under age 18 and related by blood or adoption.

Purchasers who claim an exemption from use tax under this provision will need to provide proof of the family relationship when they register the mobilehome. To qualify for a use tax exemption or tax clearance certificate see [publication 52, Vehicles and Vessels, How to Request a Use Tax Clearance for DMV Registration](#), for the circumstances under which your purchase may qualify for a tax clearance and details on how to obtain one. While the publication does not specifically refer to mobilehomes, the publication does include a [BOE-106, Vehicle/Vessel Use Tax Clearance Request](#). This form includes a specific line for mobilehomes. After fulfilling the requirements, we will issue you a BOE-111, *Certificate of Motor Vehicle or Mobilehome Use Tax Exemption*, allowing your use tax exemption.

If there is a question about whether your purchase qualifies for an exemption and you want the department to act on your application right away, you may pay the use tax at the time of registration and later apply to us for a refund. Please see [publication 117, Filing a Claim for Refund](#), for instructions.

Determining retail value

■ *Current value guides*

The use tax due on the purchase of a used mobilehome is based on the mobilehome's retail value. That value is determined using either of the following current, recognized value guides covering the particular period in which the sale, storage, use, or other consumption occurs:

- The Kelley Blue Book Manufactured Housing and Mobilehome Guide; or
- The National Automobile Dealer Association's (NADA) Mobilehome Manufactured Housing Appraisal Guide.

If the mobilehome is not listed in the guide or the sales price is lower than the listed value, other methods are used to determine the value.

■ *Other valuation methods*

If the actual sales price of a used mobilehome is less than the current value specified in the value guide, the tax will be based on the actual sales price of the mobilehome as shown in the purchase documents.

If the value guide does not list the model or manufacturer of a used mobilehome, the value will be determined by using the highest value in the guide according to age and size, or the actual sales price, whichever is lower.

“Actual sales price” means the total contract price, including but not limited to the value of the mobilehome, in-place location, awning, skirting, carport, patio, landscaping, shrubs, unattached furnishings, or other items not part of the mobilehome, and documentation fees.

FACTORY-BUILT HOUSING

This section describes sales and use tax issues for factory-built housing. For more information, see [Regulation 1521](#), Construction Contractors, [Regulation 1521.4](#), Factory-Built Housing, and [publication 9](#), Construction and Building Contractors.

Factory-built housing

Factory-built housing may include:

- A residential building.
- Dwelling unit.
- An individual dwelling room or combination of rooms.
- A building component, assembly, or system, so manufactured that *all of its parts cannot be inspected prior to affixation to realty without disassembly, damage, or destruction.*

This definition includes units designed for use as part of an institution for resident or patient care, which is either wholly manufactured or is substantially manufactured at an offsite location. Units under this definition, generally must be wholly or partially assembled onsite in accordance with regulations adopted by the Commissioner of Housing and Community Development of the State of California or in accordance with applicable local building requirements if such factory-built housing is inspected and approved by the local enforcement agency authorized under contract with the department.

Factory-built housing may include:

- “Modular housing,” which is a three dimensional box or cube-shaped structure or structures making up one or more rooms of a residential building, or an institution or part thereof for resident or patient care.
- “Sectionalized housing,” which generally consists of two modules which form a total living unit of a residential building, or an institution or part thereof for resident or patient care.
- “Modular,” “utility,” or “wet cores,” which are three dimensional habitable rooms or modules and which are generally comprised of a kitchen or a bathroom or bathrooms of a residential building, or an institution or part thereof for resident or patient care.
- “Factory-built housing,” also includes panelized construction sold by the builder or manufacturer of the panelized construction and which consists of a package including wall panels, floors, and a roof that will form a complete housing structure.

Factory-built housing does *not* include any of the following:

- Mobilehomes, as defined by [Regulation 1610.2](#), *Mobilehomes and Commercial Coaches*.
- Precut housing packages, where more than 50 percent of the package consists only of precut lumber.
- “Panelized construction,” such as walls or components that may become one or more rooms of a building.
- Porches, awnings, materials, fixtures, or components which are not purchased as a part of the factory-built housing package.
- Freestanding appliances, such as freestanding refrigerators, stoves, washers, and dryers, which are included in the sales or purchase price of, and installed as part of, the factory-built housing package.
- Rugs (except wall-to-wall carpets), draperies, freestanding cabinets, furniture, or other furnishings.

The term “consumer” as used herein means any person who purchases factory-built housing for use in erecting or remodeling a building or other structure on land to be used for residential dwelling purposes or as an institution or part thereof for resident or patient care.

For more information, see [Regulation 1521.4, Factory-Built Housing](#).

General application of tax

The sale of factory-built housing to a “consumer” is subject to sales tax.

However, under certain circumstances, 60 percent of the sales price is not taxable. Tax applies to only 40 percent of the sales price of factory-built housing when you sell the housing:

- Directly to a “consumer” to be used for residential dwelling purposes on land; or
- For use as an institution for resident or patient care.

Certificate of exclusion

To pay tax on only 40 percent of the sales price, you must obtain a “60 percent exclusion certificate” from your customer (see [Appendix](#)). You should keep the certificate in your records.

Consumers who buy factory-built housing in a transaction that appears to qualify for the partial exclusion from the tax owe use tax based on the entire purchase price if they use the housing for any purpose other than a residence or qualifying institution. See [Taxable uses of factory-built housing](#).

Manufacturers and factory-built housing

If you are a manufacturer of factory-built housing, you can be a dealer, a construction contractor, or both. When you sell factory-built housing to a customer who will install it, you are the dealer. Tax applies to your sale as noted in the previous section.

A manufacturer who contracts to furnish and install factory-built housing is considered a construction contractor for sales and use tax purposes. You are generally the consumer of materials you use and the retailer of fixtures you install in or on the structure which were *not* sold or purchased as part of the factory-built housing package, and tax generally applies. (For more detailed information, see [Sales of materials](#) and [Sales of fixtures](#).) For additional information on materials and fixtures, see [publication 9, Construction and Building Contractors](#), and [Regulation 1521, Construction Contractors](#).

Taxable uses of factory-built housing

Purchaser or consumer owes tax

Tax applies to 40 percent of the sales price of factory-built housing when it is sold to a “consumer.” If factory-built housing is purchased free of tax, for resale, and is then installed and assembled into buildings by the consumer or on his behalf, tax applies to 40 percent of the sales price of the factory-built housing provided these buildings are to be *used for residential dwelling purposes, or as an institution or part thereof for resident or patient care*. If any other use is made of the factory-built housing, tax applies to the full sales price (or to 60 percent of the sales price if purchased tax paid with tax measured by 40 percent of the sales price).

Seller owes tax

A seller of factory-built housing owes use tax on a factory-built house withdrawn from untaxed resale inventory and used for any purpose other than resale. The seller should report the taxable use and pay the tax with the sales and use tax return for the period in which the house was removed from inventory.

Items that are not part of factory-built housing

The installing contractor is the retailer of the following items even when they are included in a factory-built housing package. Tax applies to their selling price.

Such items include:

- Freestanding appliances
- Area rugs and throw rugs
- Draperies
- Freestanding cabinets
- Furniture and home furnishings

Sample factory-built housing transactions

■ *Transaction A*

A dealer purchases factory-built housing from a manufacturer. The dealer will either sell or lease the completed structure for use as factory-built housing, and install the factory-built housing on either their real estate or on the customer's real estate.

In this transaction the manufacturer is the retailer of factory-built housing. The manufacturer must report and pay sales tax based on 40 percent of the selling price to the dealer, in accordance with [Regulation 1521.4](#), subdivision (c). The manufacturer must also obtain a 60 percent exclusion certificate from the dealer. The dealer's subsequent sale or lease of factory-built housing that is affixed to real estate is a real estate transaction.

■ *Transaction B*

A manufacturer sells factory-built housing to a dealer who will resell it to a rural health clinic for patient care. The clinic installs the structure on its own land.

In this transaction the sale by the manufacturer is an exempt sale for resale. The manufacturer should obtain a resale certificate from the dealer. The dealer is the retailer and owes sales tax based on 40 percent of the dealer's selling price to the clinic. The dealer must obtain a 60 percent exclusion certificate from the clinic.

■ *Transaction C*

A manufacturer furnishes and installs factory-built housing for a buyer on the buyer's land.

In this transaction [Regulation 1521.4](#) does not apply, as the manufacturer is a construction contractor and tax applies under [Regulation 1521](#). The manufacturer is the consumer of the materials used in building and installing the factory-built housing and the retailer of the fixtures.

Factory-built school buildings

A contract to furnish and install a factory-built school building is not a construction contract, but rather is a sale of tangible personal property. ***For purposes of local tax allocation, the place of sale of a factory-built school building is the place of business of the retailer, not the jobsite location.***

In general, a factory-built school building is defined as any building which is designed or intended for use as a school building and is wholly or substantially manufactured at an offsite location for the purpose of being assembled, erected, or installed on a site owned or leased by a school district or a community college district. Effective September 13, 1990, the term "factory-built school building" (relocatable classroom) means and includes any building:

- Designed or intended for use as a school building.
- Wholly or substantially manufactured at an offsite location for the purpose of being assembled, erected, or installed on a site owned or leased by a school district or a community college district.
- Designed and manufactured in accordance with building standards adopted and approved pursuant to Chapter 4 (commencing with Section 18935) of Part 2.5 of Division 13 of the Health and Safety Code and must be approved by the structural safety section in the Office of the State Architect.

Buildings that are licensed by either the DMV or the HDC are not factory-built school buildings.

Tax applies to 40 percent of the sales price at which the factory-built school building is sold to a consumer, excluding on-site installation labor. The following are examples of persons defined as consumers:

- A school district or a community college district.
- A contractor who purchases a factory-built school building for the purpose of fulfilling the requirements of an existing contract with a school district or a community college district to furnish and install such a building.

For information on the sale and installation of factory-built school buildings, as a construction contractor, please refer to [Regulation 1521, Construction Contractors](#), subdivision (b)(4), and to [publication 9, Construction and Building Contractors](#).

GENERAL TAX INFORMATION

This section provides general information on other tax issues that are common to the mobilehome and factory-built housing industry, including sales tax reimbursement, bad debts, and recordkeeping. For more information, you may obtain the regulations and publications noted in the section.

Sales tax reimbursement

Although you are liable for the sales tax on your taxable retail sales, you may collect an amount from your customer equal to the tax you will owe. We presume that your customer agrees to pay you an amount for sales tax if any of the following are true:

- The sales agreement or invoice specifically provides for the addition of an amount for sales tax or sales tax reimbursement;
- Your invoice or other proof of sale shows the amount of tax you will collect from your customer; or
- You post a visible sign at your business location, or include on price tags or advertisements, a notice that reimbursement for sales tax will be added to the sales price of all items or certain items (whichever applies).

If you collect more tax on a sale than you owe, you must return the excess amount to the customer or pay it directly to the BOE.

For more information, you may obtain a copy of [Regulation 1700, Reimbursement for Sales Tax](#).

Recordkeeping

■ *Required records*

You need to keep complete and accurate records of all of your business transactions. BOE representatives may examine your books, papers, records, and other documents to verify the accuracy of any return you file. If you don't file tax returns, they will use your records to determine how much tax you owe.

You must keep adequate records that show all of the following:

- Your gross receipts from all taxable and nontaxable sales or leases of goods and merchandise and any related labor charges.
- All deductions allowed by law and claimed in filing returns.
- The total purchase price of all items you purchased for sale, use, or lease.

Your records must include all of the following:

- The normal books of account.
- All bills, receipts, invoices, orders, contracts, or other documents of original entry supporting the entries in the books of account.
- Certificates of exemption or exclusion described elsewhere in this pamphlet.
- All schedules or work papers used in preparing your tax returns.

If you do not maintain adequate records, we may consider that to be evidence of negligence or intent to evade the tax and you may be subject to penalties.

■ *Retaining business records*

You should keep required records for at least four years unless we give you specific, written authorization to destroy them sooner. Exception: records that cover reporting periods before January 1, 2003, may be covered by an extended statute of limitations if you did not participate in the 2005 tax amnesty program, or if fraud or intent to evade tax is discovered during an audit. You must keep those records for at least ten years. If you are being audited, you should retain all records that cover the audit period until the audit is complete, even if that means you keep them longer than four years. In addition, if you have a dispute with us about how much tax you owe, you should retain the related records until that dispute is resolved. For instance, if you appeal the results of an audit or another determination, or you file a claim for refund, you should keep your records while that matter is pending.

Bad debts—mobilehome sales

Where the dealers are retailers, bad debt losses incurred are allowable in the same manner as bad debts from other types of retail sales as explained in the next paragraph and [Regulation 1642, Bad Debts](#).

Some examples of sales where dealers are retailers of new mobilehomes sold for other than occupancy as a residence are sales of furniture, and sales of accessories which are not affixed to realty. In such cases, the dealer may claim a deduction for bad debts found to be uncollectible and charged-off for income tax purposes.

Should the uncollectible amounts include nontaxable charges, such as interest charges, and/or items in which the dealer is a consumer or retailer-consumer as well as taxable items, a bad debt deduction may be claimed only with respect to the unpaid amount upon which the dealer is the retailer and which the tax has been paid to us. In determining this amount, all payments and credits to the accounts must be apportioned to the taxable and nontaxable elements which make up the amount the purchasers agreed to pay.

If any amounts for which the bad debts have been deducted on the sales tax returns are subsequently collected in full or in part, the amount(s) so collected must be included in the first return filed after the funds are received.

If a repossession of merchandise for which the dealer is a retailer is involved, the value of the repossessed merchandise must be deducted in computing the allowable credit. See [Regulation 1642](#) regarding the formula used in determining the amount of allowable credit on repossession losses.

When dealers of mobilehomes are retailer-consumers or consumers of mobilehomes, accessories and other items which they sell, ***there is no basis for claiming any bad debts incurred on such transactions***. Some common examples where the dealer is either the ***retailer-consumer*** or ***consumer***, and cannot claim bad debt deductions are:

- New mobilehomes sold for occupancy as a residence on or after July 1, 1980.
- Sales of accessories such as carpeting affixed as an integral part of a mobilehome prior to its sale when the mobilehome is sold for occupancy as a residence.
- Sales of accessories such as window awnings affixed to a mobilehome situated on a permanent foundation or when the accessories are affixed directly to realty.

FOR MORE INFORMATION

For additional information or assistance with how the Sales and Use Tax Law applies to your business operations, please take advantage of the resources listed below.

CUSTOMER SERVICE CENTER

1-800-400-7115

TTY:711

Customer service representatives are available weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays. In addition to English, assistance is available in other languages.

FIELD OFFICES

City	Area Code	Number
Bakersfield	1-661	395-2880
Culver City	1-310	342-1000
El Centro	1-760	352-3431
Fairfield	1-707	427-4800
Fresno	1-559	440-5330
Glendale	1-818	543-4900
Irvine	1-949	440-3473
Norwalk	1-562	466-1694
Oakland	1-510	622-4100
Rancho Cucamonga	1-909	257-2900
Rancho Mirage	1-760	770-4828
Redding	1-530	224-4729
Riverside	1-951	680-6400
Sacramento	1-916	227-6700
Salinas	1-831	443-3003
San Diego	1-858	385-4700
San Francisco	1-415	356-6600
San Jose	1-408	277-1231
Santa Clarita	1-661	222-6000
Santa Rosa	1-707	576-2100
Ventura	1-805	677-2700
West Covina	1-626	480-7200

Out-of-State Field Offices

Chicago, IL	1-312	201-5300
Houston, TX	1-713	739-3900
New York, NY	1-212	697-4680
Sacramento, CA	1-916	227-6600

INTERNET

www.boe.ca.gov

You can log onto the BOE website for additional information—such as laws, regulations, forms, publications, industry guides, and policy manuals—that will help you understand how the law applies to your business.

You can also verify seller's permit numbers on the BOE website (look for "[Verify a Permit/License](#)") or call the BOE's toll-free automated verification service at 1-888-225-5263.

Multilingual versions of publications are available on the BOE [website](#) at www.boe.ca.gov.

Another good resource—especially for starting businesses—is the California Tax Service Center at www.taxes.ca.gov.

TAX INFORMATION BULLETIN

The quarterly Tax Information Bulletin (TIB) includes articles on the application of law to specific types of transactions, announcements about new and revised publications, and other articles of interest. You can find current and archived TIBs on the BOE website at www.boe.ca.gov/news/tibcont.htm. Sign up for BOE updates email list and receive notification when the latest issue of the TIB has been posted to the BOE website.

FREE CLASSES AND SEMINARS

Most of the BOE statewide field offices offer free basic sales and use tax classes with some classes offered in other languages. Check the Sales and Use Tax Section on the BOE website at www.boe.ca.gov for a [listing of classes and locations](#). You can also call your local field office for class information. We also offer [online seminars](#) including the Basic Sales and Use Tax tutorial and how to file your tax return that you can access on the BOE website at any time. Some online seminars are also offered in other languages.

WRITTEN TAX ADVICE

For your protection, it is best to get tax advice in writing. You may be relieved of tax, penalty, or interest charges that are due on a transaction if we determine that we gave you incorrect written advice regarding the transaction and that you reasonably relied on that advice in failing to pay the proper amount of tax. For this relief to apply, a request for advice must be in writing, identify the taxpayer to whom the advice applies, and fully describe the facts and circumstances of the transaction.

Please visit the BOE website at: www.boe.ca.gov/email to email your request. You may also send your request in a letter to: Audit and Information Section, MIC:44, State Board of Equalization, P.O. Box 942879, Sacramento, CA 94279-0044.

TAXPAYERS' RIGHTS ADVOCATE

If you would like to know more about your rights as a taxpayer or if you have not been able to resolve a problem through normal channels (for example, by speaking to a supervisor), please see [publication 70, Understanding Your Rights as a California Taxpayer](#), or contact the [Taxpayers' Rights Advocate Office](#) for help at 1-916-324-2798 (or toll-free, 1-888-324-2798). Their fax number is 1-916-323-3319.

If you prefer, you can write to: Taxpayers' Rights Advocate, MIC:70; State Board of Equalization; P.O. Box 942879; Sacramento, CA 94279-0070.

Regulations, forms, and publications

Lists vary by publication

Selected regulations, forms, and publications that may interest you are listed below. A complete listing of sales and use tax [regulations](#), [forms](#), and [publications](#) appears on the BOE [website](#). Multilingual versions of BOE publications and other multilingual outreach materials are also available at www.boe.ca.gov/languages/menu.htm.

Regulations

1521	Construction Contractors
1521.4	Factory-Built Housing
1610.2	Mobilehomes and Commercial Coaches
1614	Sales to the United States and its Instrumentalities
1616	Federal Areas
1620	Interstate and Foreign Commerce
1628	Transportation Charges
1642	Bad Debts
1655	Returns, Defects and Replacements
1660	Leases of Tangible Personal Property—In General
1667	Exemption Certificates
1668	Sales for Resale
1669	Demonstration, Display, and Use of Property Held for Resale— General
1698	Records
1700	Reimbursement for Sales Tax
1821	Foreword, Transactions (Sales) and Use Tax Regulations
1823	Application of Transactions (Sales) Tax and Use Tax
1826	Construction Contractors

Publications

9	Construction and Building Contractors
17	Appeals Procedures Sales and Use Taxes and Special Taxes
44	District Taxes
51	Resource Guide to Free Tax Products and Services for Small Businesses
52	Vehicles and Vessels: Use Tax
61	Sales and Use Taxes: Exemptions and Exclusions
70	Understanding Your Rights as a California Taxpayer
73	Your California Seller's Permit
74	Closing Out Your Account
75	Interest, Penalties and Fees
76	Audits
101	Sales Delivered Outside California
102	Sales to the United States Government
103	Sales for Resale
116	Sales and Use Tax Records
117	Filing a Claim For Refund
146	Sales to American Indians and Sales in Indian Country

Forms

BOE-106	Vehicle/Vessel Use Tax Clearance Request
BOE-146-RES	Statement of Delivery on a Reservation - Exemption Certificate
BOE-447	Statement Pursuant to Section 6247 of the California Sales and Use Tax Law
BOE-448	Statement of Delivery Outside California

APPENDIX

SAMPLE TRANSACTION

Dealer as a Retailer-Consumer

Mobilehome Residence Not Installed on a Permanent Foundation

TRANSACTION DETAILS

	COST TO DEALER	SELLING PRICE TO BUYER
Mobilehome unit (including refrigerator)	\$ 20,000	\$ 25,000
Delivery charge to dealer by common carrier	500	500
Redwood decking (anchored in cement)	2,500	3,000
Patio awning (attached by auger)	2,000	2,500
Window awning (attached only to mobilehome)	450	540 *
Labor to install window awning	50	60
Skirtings	950	1,180 *
Labor to install skirtings	50	70
Landscaping	2,000	2,500
Cabana room to be placed on jacks and pads (not part of manufactured mobilehome)	2,000	2,500*
Labor to install cabana room	100	150
Subtotals	\$ 30,600	\$ 38,000
 Setup Labor Charges By Outside Contractor		
Installing carpets	\$ 150	\$ 200
Joining halves	300	400
Jacks and pads	100	133 *
Other setup labor	950	1,267
Total setup charges by contractor	\$ 1,500	\$ 2,000
Total charges	\$ 32,100	\$ 40,000

*Charges subject to tax

COMPUTATION OF MOBILEHOME DEALER'S TAX LIABILITY**Mobilehome Items Subject to Use Tax Based on 75 Percent of Cost**

(Please refer to page 2 under "use tax applies - not sales tax")

Mobilehome unit (including refrigerator)	\$ 20,000.00
Labor to join halves	300.00
Labor—Install carpets	150.00
Total cost—Complete mobilehome	\$ 20,450.00
Amount subject to tax (\$20,450 x 75%)	\$ 15,337.50
Use tax (\$15,337.50 x 8.25%)	\$ 1,265.34
Total Charges	\$ 16,602.84

Accessories Subject to Sales Tax Based on Selling Price^aRetail Sales Portion of Transaction:

Window awning	\$ 540.00
Skirtings	1,180.00
Cabana room	2,500.00
Jacks and pads	133.00
Accessories subject to tax	\$ 4,353.00
Sales tax (8.25% x \$4,353)	\$ 359.12

SAMPLE DEALER SALES INVOICE TO THE CUSTOMER

Double-wide mobilehome unit	\$ 25,000.00
Delivery charge	500.00
Accessories (awnings, skirtings, cabana, jacks and pads)	4,353.00
Labor to install accessories	280.00
Improvements to location (decking, patio awning, and landscaping)	8,000.00
Setup (less charges for jacks and pads [\$2,000-\$133])	1,867.00
Subtotal	\$ 40,000.00
Sales tax on accessories @ 8.25%	\$ 359.12*
Invoice Total	\$ 40,359.12

* Note: Even though this and other examples show tax calculated at a rate of 8.25 percent, you should use the rate in effect at your business location. Please see [California City and County Sales and Use Tax Rates](#).

^a If the mobilehome were attached on a permanent foundation, the installer of accessory items attached to the mobilehome or directly attached to real estate is a construction contractor. See Mobilehomes and Accessories Installed as Real Property for more information.

Sample 60% Exclusion Certificate

I hereby certify that the factory-built housing that I

(PRINT NAME OF PURCHASER-CONSUMER)

am purchasing under the authority of this certificate from

(PRINT NAME OF SUPPLIER)

will be consumed by me in erecting or remodeling a building or other structure on land to be used for residential purposes or as an institution or part thereof for resident or patient care.
My seller's permit number if any is

I further certify that I understand and agree that if the property purchased under the authority of this certificate is used by the purchaser for any purpose other than indicated above, the purchaser shall be liable for payment of tax to the State Board of Equalization measured by 60% of the sales price of the factory-built housing at the time of such use.

Date Certificate Given

Signed by:



(NAME OF PURCHASER)

As:

(PRINT NAME OF OWNER, PARTNER, PURCHASING AGENT, ETC.)

CERTIFICATION OF EXEMPTION FOR MOBILEHOME RESIDENCE PURCHASE

CERTIFICATION


I hereby certify that the mobilehome that I _____
(PRINT NAME OF PURCHASER)

am purchasing from _____
(PRINT NAME OF RETAILER-CONSUMER)

is being purchased for occupancy as a residence and that it will only be used for this purpose. I further certify and agree that if the property purchased under authority of this certificate is used for any other purpose, I shall be liable for payment of tax measured by the entire sales price or gross receipts from the sale to me less an amount equal to 75 percent of the sales price of gross receipts from the sale of the mobilehome to the retailer.

DATE CERTIFICATE GIVEN

SIGNATURE OF PURCHASER

 _____
CAPACITY

DESCRIPTION OF PROPERTY

CERTIFICATION OF EXEMPTION

To qualify for this special tax treatment, the dealer is required to secure and retain written certification at the time of the sale that the mobilehome will be installed for occupancy as a residence.

If a purchaser issues such certification to a dealer and subsequently uses the property for other than a residence, the purchaser shall be liable for payment of tax measured by the purchaser's entire purchase price of the mobilehome, less 75 percent of the sales price paid by the dealer to the supplier for the mobilehome.

