

**Revenue Information Bulletin
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Sales Taxes**

**Act 500 of 2009 Expands the Partial Sales and Use Tax Exclusion for
“Manufactured Homes” So that the Exclusion Applies to a Broader Class of
“Factory-Built” Homes**

[Act 500 of the Regular Session of the 2009 Louisiana Legislature](#) amends the definition of tangible personal property contained in La. R.S. 47:301(16) to replace the former exclusion for “manufactured homes” with a broader exclusion for “factory-built” homes. A factory-built home encompasses manufactured homes, modular homes, and mobile homes. A factory-built home does not include any self-propelled vehicle or a travel trailer.

The term “factory-built home” means a residential structure which is built in a factory in one or more sections and has a chassis or integrated wheel delivery system, which is either:

1. A structure built to federal construction standards as defined in 42 U.S.C § 5402.
2. A residential structure built to the Louisiana Uniform Construction Code.
3. A manufactured home, modular home, mobile home, or residential mobile home with or without a permanent foundation, which include plumbing, heating and electrical systems.

A factory-built home must be used as a residence in order to qualify for the 46-percent taxable base. A factory-built home used for any purpose other than residential will be taxable at 100 percent of its “cost price” or “sales price”.

The sales and use tax levied by the state or any other taxing authority in the state applies only to initial sale of a new factory-built home from a dealer to a consumer. Sales tax should be calculated on 46 percent of the retail sales price of a new factory built home. Each subsequent resale of a factory-built home is excluded from the definition of tangible personal property, and no sales tax will be due on the transaction. The effective date of this act was July 1, 2009.

Beginning on January 1, 2010, these provisions of Act 500 will become effective:

1. The sales and use taxes due on the sale of a new factory-built home is to be paid to Louisiana Department of Public Safety and Corrections, Office of Motor Vehicles on the twentieth day of the month following the month of delivery of the factory built home along with any other information requested by the Office of Motor Vehicles.
2. After December 31, 2009, the immobilization of a factory-built home such as a manufactured home will not have an effect on the taxability of the transaction. Whether immobilized or not, the sale of a new factory-built home from a dealer to a consumer will be subject to sales tax. Factory-built homes, which are not new and have been or have not been previously immobilized, will not be subject to sales tax upon resale.

The provisions of Act 500 are remedial, curative and procedural and apply retroactively as well as prospectively. The Louisiana Department of Revenue (LDR) will not issue refunds for correctly computed taxes, if the tax has not been paid under protest in conjunction with a suit filed for recovery.

Questions concerning this legislation should be directed to the LDR Special Programs Division at 225-219-7356, Option 3, or by email to sales.inquiries@la.gov.

Cynthia Bridges
Secretary