

Mobile homes and manufactured homes in mobile home parks must be assessed and taxed as chattel. See 35 ILCS 517/5. When a mobile home park owner purchases a manufactured home from the manufacturer to be installed in the mobile home park and sold to a purchaser, the purchase from the manufacturer is a tax-free purchase for resale. The first sale by the mobile home park owner of the manufactured home located in the mobile home park to a purchaser is reported and paid on Form ST-556, Sales Tax Transaction Return. Each subsequent sale of the manufactured home by the mobile home park owner to another purchaser must also be reported and paid on Form ST-556. **NOTE: This letter supersedes ST 24-0047-GIL.** (This is a GIL.)

February 21, 2025

NAME1  
COMPANY  
EMAIL

Dear NAME1:

This letter is in response to your letter dated November 18, 2024, in which you requested information. The Department issues two types of letter rulings. Private Letter Rulings (“PLRs”) are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department’s regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter (“GIL”) is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at <https://tax.illinois.gov/> to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry, in relevant part, as follows:

[November 18, 2024 inquiry]

Attached is correspondence relating to clarification requested on sales/use tax in the state of Illinois. I've copied my questions below:

COMPANY

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I want to recap and put into writing for our sales tax file a phone conversation I had with NAME2 about sales and use tax liability for us as a manufactured home dealer.

Both of the below scenarios are related to installed manufactured homes.

New Homes:

We, as the dealer, purchase a new manufactured home from a manufacturer. We then install the home onto a lot within our mobile home community by skirting, removing the hitch and axles, anchoring, and hooking up utilities. When the installation is complete, we are subject to reporting and remitting use tax on the ST1 at our purchase price of the manufactured home. When we sell this home in our community to our first tenant, we do NOT charge sales tax and report the sale on the ST556. This transaction is then considered complete.

Used Homes:

Assume the tenant from the above new home sale example moves out of the home we sold them. We buy the home back from them as it sits to resell (there is no transportation of the home). When we resell the home, we charge the new buyer sales tax and report the sale on the ST556.

Please confirm the above is accurate for record-keeping purposes.

Is this something you can help with?

[January 6, 2025 follow-up]

I'm getting push back on the GIL received on this topic and running into titling issues with the IL Secretary of State. Essentially, what they are saying is that because the homes are on our property (confirming my questions were referencing sales within mobile home communities whereby we sell homes to tenants that remain on our land while they pay lot rent), the homes need to be treated as personal property and therefore taxable. As the dealer, they are saying we must file form ST556 in order to transfer title to the new owner and that the affidavit of affixation is not applicable in mobile home communities.

I've been receiving a lot of conflicting information on this topic and I'm hoping we can get everything in line and move forward with selling homes.

**DEPARTMENT'S RESPONSE:**

This letter is related to the sale by mobile home park owners of manufactured homes located in mobile home parks only and rescinds and replaces General Information Letter ST 2024-47-GIL.

The Manufactured Home Installation Act provides that “[m]obile homes and manufactured homes in mobile home parks must be assessed and taxed as chattel. Mobile homes and manufactured homes outside of mobile home parks must be assessed and taxed as real property.” See 35 ILCS 517/5. The Act provides that “mobile home” and “manufactured home” mean the same thing for the purposes of the Act. The Act defines “mobile home park” as a tract of land or 2 contiguous tracts of land that contain sites with the necessary utilities for 5 or more mobile homes or manufactured homes.

This statutory designation of manufactured homes in mobile home parks as chattel impacts the reporting and payment of tax by mobile home park owners when they sell manufactured homes located in mobile home parks. When the mobile home park owner purchases the manufactured home from the manufacturer to be installed in the mobile home park and sold to a purchaser, the purchase from the manufacturer is a tax-free purchase for resale. The placement of the manufactured home in the mobile home park by the mobile home park owner is the equivalent of placing the manufactured home in the mobile home park owner’s inventory. The first sale by the mobile home park owner of the manufactured home located in the mobile home park to a purchaser is reported and paid on Form ST-556, Sales Tax Transaction Return. See 35 ILCS 120/3. Each subsequent sale of the manufactured home by the mobile home park owner to another purchaser must also be reported and paid on Form ST-556.

I hope this information is helpful. If you require additional information, please visit our website at <https://tax.illinois.gov/> or contact the Department’s Taxpayer Information Division at 800-732-8866.

Very truly yours,



Samuel J. Moore  
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