



Reporting Taxable Sales of Manufactured Homes

Retailers of manufactured (mobile) homes* sell those items either **with installation** (e.g., you, the retailer, install the manufactured home or incorporate the manufactured home into real estate) or **without installation** (e.g., you, the retailer, do not install or incorporate the manufactured home into real estate). The manner in which the sale of a manufactured home is taxed depends upon which of these two situations applies.

A manufactured home is considered to be installed or incorporated into real estate when it is placed on a permanent foundation with its wheels, tongue, and hitch removed. Setting a manufactured home up on blocks and anchoring and skirting it, without removing its wheels, tongue, and hitch does not constitute installing or incorporating it into real estate.

If you are a manufactured home dealer who sells manufactured homes both with and without installation, then you may certify to your supplier that you are buying the manufactured homes for resale and thereafter account to the Department of Revenue for the tax when you sell them either with or without installation as follows:

NOT INSTALLED

When you sell a manufactured home **without installation**, you must report the sale and remit the tax collected using Form ST-556, Sales Tax Transaction Return. Sales without installation include sales in which your delivery and set up do not constitute incorporating the manufactured home into real estate as described above (e.g., the wheels, tongue, and hitch are not removed), sales to someone who will subsequently install or incorporate the manufactured home into real estate (e.g., a contractor), and sales to a purchaser who will subcontract the installation or incorporation of the manufactured home into real estate.

These transactions are taxable unless they qualify for one of the following specific exemptions:

- a sale for resale (Step 5, Box B of Form ST-556); or
- a sale to an exempt organization with an active Illinois sales tax exemption “E” number (Step 5, Box C of Form ST-556); or
- a sale in which you deliver the manufactured home or cause it to be delivered outside Illinois (Step 5, Box F of Form ST-556).

Special note for sales to non-Illinois residents: Manufactured homes do *not* qualify for the exemption for a sale to a nonresident purchaser (Section 5, Box A, of Form ST-556). You must collect tax if you sell a manufactured home to a person who is not a resident of Illinois and who will take possession of the manufactured home in Illinois, before removing it to another state. The sale is taxable because the customer took possession of the manufactured home in Illinois.

INSTALLED

When you sell a manufactured home **with installation** by incorporating it into real estate, you are acting as a construction contractor and must pay the tax based on your cost price of the manufactured home and other items that become part of the real estate. Report these sales and pay the tax using Form ST-1, Sales and Use Tax and E911 Surcharge Return. The tax amount is based on your cost price, rather than the retail selling price, of the manufactured home because, in Illinois, construction contractors are considered the end user of an item, rather than the person for whom the construction is being performed. The reporting period for reporting your use tax liability on Form ST-1 is established by the date you install the manufactured home. If you purchased the manufactured home from an Illinois supplier, you must include your cost price of the manufactured home on Line 4a of Form ST-1 along with your taxable receipts and pay tax at the rate on line 4b. If you purchased the manufactured home from an out-of-state supplier who does not incur Retailers' Occupation Tax liability, you must report and pay Use Tax directly to the Department using Step 5 (Tax on Purchases) of Form ST-1.

For more information on what taxes are due, see [86 Ill. Adm. Code Sections 130.1940, “Construction Contractors and Real Estate Developers,”](#) and [130.2075, “Sales to Construction Contractors, Real Estate Developers and Speculative Builders.”](#)

Where to find further help

If you have questions, you can receive assistance by phone by calling **1 800 732-8866** or **217 782-3336 (1 800 544-5304 TTY)**. Representatives are available Monday through Friday, 8:00 am – 5:00 pm. Over-the-phone translation services are also available. You can also email your questions to REV.TA-Sales@illinois.gov. For more information on tax rates, see our [Tax Rate Database](#).

* A “manufactured (mobile) home” is built to the Manufactured Home Construction and Safety Standards (HUD Code; 24 C.F.R. Part 3280) and displays a red certification label on the exterior of each transportable section. Manufactured homes are built in the controlled environment of a manufacturing plant and are transported in one or more sections on a permanent chassis. Manufactured homes are not the same as modular homes. Modular homes are constructed to the same state, local or regional building codes as site-built homes. (Source: U.S. Department of Housing and Urban Development).