

Mobile homes and manufactured homes in mobile home parks must be assessed and taxed as chattel. See 35 ILCS 517/5. The first sale by the mobile home park owner of the manufactured home located in the mobile home park to a purchaser is reported with Retailers' Occupation Tax 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 with tax paid on Form ST-556. (This is a GIL).

January 9, 2026

NAME
TITLE
COMPANY
ADDRESS
Email: EMAIL

Dear NAME:

This letter is in response to your letter dated October 22, 2025, 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 as follows:

Our firm represents a mobile home park owner/operator ("Company") looking to acquire mobile home parks in Illinois. As part of this business, the Company intends to become a licensed IL manufactured home dealer and then buy and sell manufactured homes to its customers.

We request clarification regarding the application of the Illinois Retailers' Occupation Tax ("ROT") on the sale of *used* manufactured homes to private individuals.

Assumed Facts:

- Company is a licensed retailer in Illinois.
- Company purchases a MAKE/MODEL manufactured home with VIN 123abc (the “Home”) from Jane Doe, who is not a dealer. No sales tax was paid at time of purchase from Ms. Doe.
- The Home was titled in IL in Jane Doe’s name immediately prior to the Company’s purchase, and is now titled in the name of Company.
- Company relocates home and installs Home in Company’s mobile home park, and then sold to John Smith. (The Home has been blocked, anchored, and tied down. Wheels and axels are still on the home, though the wheels are not touching the ground. Thus “without installation.”)
- Mr. Smith recently vacated an apartment he rented, and thus there is no trade-in as part of the purchase of Home.
- Mr. Smith will take title in his name and keep the Home in the mobile home park. The Home will remain personal property and will not be legally affixed to real estate.
- The Home is used and was previously titled, to several prior owners, therefore this is not a first retail sale of the Home.
- The Home will be subject to annual tax as set out in the Mobile Home Local Services Tax Act.

Question:

Under PIO-123 (Reporting Taxable Sales of Manufactured Homes), sales of manufactured homes without installation are taxable unless they qualify for one of the exemptions listed (sale for resale to a dealer, sale to an exempt organization, or delivery outside Illinois). Is the sale of a used Home considered a taxable “sale at retail”?

We request clarification whether the sale of a used, previously titled manufactured home to a private individual in Illinois is subject to ROT, or whether it is exempt from sales tax on the basis that it is a resale of a previously titled home. As an aside, the Company operates in several other states and “used home sales” are not subject to sales tax, but only the initial sale of a home from a dealer to an end-customer is taxable (and the Manufacturer’s Certificate of Origin goes away and the home thereafter is transferred via “vehicle” title.)

Supporting Information:

- Relevant statutes: 35 ILCS 120/1 et. Seq. (Retailers’ Occupation Tax Act) and 35 ILCS 515 (Mobile Home Local Services Tax Act.)

- PIO-123 guidance does not explicitly address resale of previously titled home to private buyers.

We respectfully request a written ruling clarifying whether ROT applies to this type of transaction, and any documentation or procedures required to demonstrate compliance.

DEPARTMENT'S RESPONSE:

The Illinois Retailers' Occupation Tax Act imposes a tax upon persons engaged in this State in the business of selling tangible personal property at retail to purchasers for use or consumption. See 86 Ill. Adm. Code 130.101. In Illinois, Use Tax is imposed on the privilege of using, in this State, any kind of tangible personal property that is purchased anywhere at retail from a retailer. See 86 Ill. Adm. Code 150.101. These taxes comprise what is commonly known as "sales" tax in Illinois.

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.

Isolated or occasional sales of tangible personal property at retail by persons who do not hold themselves out as being engaged (or who do not habitually engage) in selling such tangible personal property at retail do not constitute engaging in the business of selling such tangible personal property at retail. See 86 Ill. Adm. Code 130.110. A person who makes a one-time sale of a manufactured home would not incur Retailers' Occupation Tax liability on that sale because it would constitute a non-taxable isolated or occasional sale. See 86 Ill. Adm. Code 130.110. Consequently, the purchaser of that manufactured home would not incur a corresponding Use Tax liability on that purchase. See 86 Ill. Adm. Code 150.101(d).

When a mobile home park owner purchases the manufactured home from the manufacturer to be installed in a mobile home park and subsequently sold to a purchaser, the purchase from the manufacturer is a tax-free purchase for resale and a certificate of resale must be presented to the manufacturer. 86 Ill. Adm. Code 130.120(c), 130.1405. The placement of the manufactured home in the mobile home park by the mobile home park owner after purchase is the equivalent of placing the manufactured home in the mobile

COMPANY

Page 4

January 9, 2026

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 with Retailers' Occupation Tax 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 a future purchaser must also be reported with tax 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,

A handwritten signature in black ink, appearing to read "GE", is written over a light gray rectangular background.

George L. Encarnacion, Jr.
Associate Counsel

GLE:sce