



Sales and Use Tax on Mobile and Manufactured Home Repairs and Improvements

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Definitions

Fixture – An item that is an accessory to the realty, building, other structure, or to land that retains its separate identity upon installation, but is permanently attached to the real property.

Real Property – The surface land, its improvements, and fixtures.

Tangible Personal Property – Personal property that may be seen, weighed, measured, touched, or is in any manner perceptible to the senses.

How Does Tax Apply?

Whether the repairs or improvements to a mobile or manufactured home are taxable is dependent on whether the home is assessed as real property or remains tangible personal property. A contractor or any other person who makes repairs or improvements to a mobile or manufactured home is required to determine the status of the home as real property or as tangible personal property. To make this determination, check the decal that is on the home.

- ❖ If the mobile or manufactured home has a **RP (real property) decal**, it is considered real property.
 - Repairs to the mobile or manufactured home or permanent attachments, including built-in appliances, are treated as the repair of real property. Recording the RP decal number on a contract, invoice, or other billing document will establish that the repair or improvement performed was a repair or improvement to real property.
 - No sales tax or discretionary sales surtax is to be collected from the real property owner, unless the contractor and the owner enter into a retail sales plus installation contract. See brochure GT-800007, *Sales and Use Tax on Building Contractors*.
 - The contractor or repair person must pay sales tax and surtax on all materials and supplies used to complete the repair or improvement, unless the contractor and the owner enter into a retail sales plus installation contract.
- ❖ If the mobile or manufactured home has a **MH (mobile home) decal**, repairs and improvements are treated as repairs or alterations of tangible personal property, including repairs to the roof, plumbing, and central air-conditioning system of the home.
 - Sales tax and surtax is to be collected from the mobile or manufactured home owner on the total charge for the repair, including materials and labor. When the repair is made without furnishing supplies or materials, the charge for labor only is not subject to sales tax or surtax. See brochure GT-800010, *Sales and Use Tax on Repair of Tangible Personal Property*.
 - The contractor or repair person may purchase materials and supplies tax exempt for resale to the home owner.

The repair or improvement to a mobile or manufactured home is treated as a repair or improvement to tangible personal property, **if** the home does not have a decal.

Who Must Register to Collect Tax?

Any contractor or person who makes repairs or improvements to mobile or manufactured homes as tangible personal property must register with the Department to collect and report sales tax and surtax. Any contractor who performs retail sale plus installation contracts to repair or improve mobile

or manufactured homes that display a RP decal must also register with the Department. Contractors who only repair or improve mobile or manufactured homes that display a RP decal and who do not sell tangible personal property to the home owner are not required to register.

You can register to collect and report tax through our website at www.floridarevenue.com. The site will guide you through an application interview that will help you determine your tax obligations. If you do not have Internet access, you can complete a paper *Florida Business Tax Application* (Form DR-1).

After we approve your registration, you will receive a *Certificate of Registration* (Form DR-11) and a *Florida Annual Resale Certificate for Sales Tax* (Form DR-13). If you are not filing electronically, we will mail paper tax returns to you. The *Florida Annual Resale Certificate for Sales Tax* is used for tax-exempt purchases you intend to resell.

You may purchase materials and parts tax exempt when the item will become a part of a mobile or manufactured home that remains tangible personal property. Materials that **do not** become a part of the repaired home, such as tools or sandpaper, are subject to sales tax and surtax as overhead items.

Contractors who enter into retail sale plus installation contracts and sell materials to the real property owner that are specifically described and itemized in the contract may use their *Florida Annual Resale Certificate for Sales Tax* to purchase the materials tax exempt. Contractors who do not sell tangible personal property may not purchase materials and supplies tax exempt.

If the goods bought for resale are later used (not resold), you must report and pay use tax and surtax on those items. Florida law provides for criminal and civil penalties for fraudulent use of a *Florida Annual Resale Certificate for Sales Tax*. (See brochure GT-800060, *Florida Annual Resale Certificate for Sales Tax*.)

When is Tax Due?

Returns and payments are due the first day of the month and late after the 20th of the month following each reporting period, whether you are filing monthly, quarterly, twice a year, or yearly. If the 20th falls on a Saturday, Sunday, or state or federal holiday, returns and payments will be timely if they are postmarked on the first business day after the 20th. **Florida law requires you to file a tax return even if you do not owe sales and use tax.**

Electronic Filing and Payment

We offer the use of our free and secure website to file and pay sales tax. You also have the option of buying software from a software vendor. For more information on electronic filing and payment options, visit our website.

You may voluntarily file and pay taxes electronically; however, if you pay \$20,000 or more in sales and use tax between July 1 and June 30 (the state fiscal year), you must use electronic funds transfer (EFT) for the next calendar year to pay your taxes.

If you make tax payments using electronic funds transfer (EFT), you must initiate electronic payments no later than 5:00 p.m., ET, on the business day before to the 20th.

Penalty and Interest

Penalty - If you file your return or pay tax late, a late penalty of 10 percent of the amount of tax owed, but not less than \$50, may be charged. The \$50 minimum penalty applies even if no tax is due. Penalty will also be charged if your return is incomplete.

Interest - A floating rate of interest applies to underpayments and late payments of tax. Current and prior period interest rates are posted on our website.

Reference Material

Tax Laws – Our online Revenue Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the library for:

- Rule 12A-1.006, Florida Administrative Code (F.A.C.) - Charges by Dealers Who Adjust, Apply, Alter, Install, Maintain, Remodel, or Repair Tangible Personal Property
- Rule 12A-1.016, F.A.C. - Sales; Installation Charges
- Rule 12A-1.051, F.A.C. - Sales to or by Contractors Who Repair, Alter, Improve and Construct Real Property

Brochures – Download these brochures from our “Forms and Publications” page:

- *Florida’s Discretionary Sales Surtax* (GT-800019)
- *Florida Annual Resale Certificate for Sales Tax* (GT-800060)
- *Sales and Use Tax on Repair of Tangible Personal Property* (GT-800010)
- *Sales and Use Tax on Building Contractors* (GT-800007)
- *Taxation of Mobile Homes in Florida* (GT-800047)

Information, forms, and tutorials are available on our website: **www.floridarevenue.com**

To speak with a Department representative, call Taxpayer Services at 800-352-3671, Monday through Friday (excluding holidays).

To find a **taxpayer service center** near you, go to:

www.floridarevenue.com/Pages/contact.aspx

For written replies to tax questions, write to:

Taxpayer Services – MS 3-2000
Florida Department of Revenue
5050 W Tennessee St
Tallahassee FL 32399-0112

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