

Vermont Taxation on Transfers of Mobile Homes

Taxation in Vermont on the transfers (sales) of mobile homes depends whether the mobile home is treated as real property or tangible personal property. In many situations, the mobile home is treated as real property, requiring that the transferor (seller) file a Vermont Property Transfer Tax Return, and pay the property transfer tax. There are situations, however, in which a mobile home is tangible personal property. In that situation, Vermont Sales and Use Tax applies on the sale and a bill of sale is required.

This fact sheet covers most common situations involving the transfer of a mobile home. If you have a situation that is not addressed here or need further explanation, please contact the Vermont Department of Taxes at tax.rett@vermont.gov or (802) 828-6851.

Mobile Home as Real Property

A mobile home is treated as real property when it is 1) affixed to land or 2) financed as real estate.

You must file Form PTT-172, Vermont Property Transfer Tax Return, with the town clerk at the time the deed is delivered for recording in the town records. The clerk cannot record a deed without a completed Form PTT-172 on file. Following are situations in which a Property Transfer Tax Return must be filed:

1) Mobile home is affixed to land. The transferor must file a property transfer tax return when a mobile home that is real property transferred to a new owner. A mobile home is real property when it is affixed to land, regardless of whether the underlying land is owned or leased by the seller.

Factors showing that a mobile home is affixed to land include, but are not limited to, the following:

- The mobile home is currently set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.
- The mobile home is currently connected to utilities such as electricity, sewage, water, gas, or oil.

- Skirting has been erected around the base of the mobile home.
- The wheels and/or tires have been removed.
- The mobile home has been situated in a place which makes its removal unlikely. For example, a mobile home located in a mobile home park and connected to utilities is affixed to the land even if the owner of the mobile home does not own the underlying land.

2) Mobile home is financed as real estate. Effective July 1, 2008, if you are buying a mobile home from a mobile home dealer and financing it as residential real estate, you must transfer the mobile home by warranty or quitclaim deed. In this situation, you must file Form PTT-172. 9 V.S.A. §§ 2603, 2604

If, however, the mobile home is *not* financed as residential real estate, then it is tangible personal property. The transfer should have a bill of sale and is subject to Vermont Sales Tax on 60% of the sale price. 32 V.S.A. § 9741(32)

Disclaimer: The information provided here is intended to be an overview only. Vermont tax statutes, regulations, Vermont Department of Taxes rulings, or court decisions supersede information presented here.

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Moving the mobile home to another town in Vermont

If the transferee (buyer) is moving the mobile home from the town in which the deed or bill of sale is recorded with the town clerk to another town in Vermont, the owner must do **ALL of the following within 10 days of the move to the new location:**

- 1) File Form PVR-2606A, Vermont Mobile Home Relocation Statement, with the clerk of the town where the deed or bill of sale was last recorded.
- 2) File with the clerk of the town to which the mobile home is moved a) a copy of Form PVR-2606A **and** b) the deed or bill of sale filed with the clerk of the municipality where the mobile home was previously located.

Note: If the town records in which the deed or bill of sale is recorded are destroyed, an attested copy of the deed by the town or county clerk is a valid substitute.

- 3) Provide a copy of Form PVR-2606A or bill of sale to the holders of any unreleased, recorded security interests in the mobile home.
9 V.S.A. § 2606(a)

Moving the mobile home to another state

If the transferee (buyer) is moving the mobile home from the town in which the deed is recorded to another state, the buyer must file Form PVR-2606B, Vermont Mobile Home Relocation Statement Out-of-State. This transfer statement must be filed with the clerk of the town where the deed was last recorded **within 10 days of the move to the new location.**

Under Vermont law, this out-of-state transfer statement transfers the title of the mobile home from the seller to the buyer and terminates the record title or deed in the town where the mobile home was located and recorded prior to the transfer. No owner of the land on which a mobile home is located may unreasonably withhold the consent required by this form. No mobile home may be relocated to another state unless all holders of liens, attachments, or encumbrances, if any, consent in writing on the transfer statement. See 9 V.S.A. §2606(b).

Mobile Home as Tangible Personal Property

When a mobile home is treated as tangible personal property, Vermont Sales and Use Tax applies. Depending on the circumstances, the buyer must pay sales tax, or the mobile home seller (manufacturer or dealer) must pay use tax.

Vermont Formal Ruling 1991-04, Application of Sales and Use Tax to Double-Wide Mobile Homes, describes three sales situations, how tax applies in each situation, and who is liable to pay the tax. Find the ruling on the Department's website at <https://tax.vermont.gov/sites/tax/files/documents/91-04.pdf>. The following information is an overview of the three sales situations.

Sales situation A: The Vermont dealer affixes a double-wide mobile home on the land owned by the buyer. The foundation and utilities have already been installed. The dealer places the unit on the foundation, attaches the two halves, completes interior finish work and connects the utilities.

Sales situation B: The dealer affixes a mobile home to a lot the buyer has leased.

Sales situation C: The dealer sells the mobile home to the buyer, and the buyer arranges to have the unit installed.

In situations A and B, the dealer affixes or installs the home and is acting like a contractor. Under Vermont law at 32 V.S.A. § 9701(5), sales of tangible personal property to a contractor for use in Vermont "in erecting structures for others, or ...improving real property of others" are considered retail sales. If the dealer paid no sales tax on the mobile home, the dealer must then pay use tax. 32 V.S.A. § 9773(1).

In situation C, the buyer is making the arrangements to install the mobile home. The buyer then is liable for Vermont Sales Tax, but the dealer is responsible for collecting the tax from the buyer and remitting it to the Vermont Department of Taxes. 32 V.S.A. §§ 9701(5), 9776. However, Vermont exempts 40% of the receipts from sales of mobile or modular housing units from sales and use tax, so the tax applies to 60% of the sale price. 32 V.S.A. § 9741(32).

Vermont dealer has paid sales tax to another state

If the Vermont dealer is subject to Vermont use tax, there is a credit for sales tax paid to another state. The Vermont dealer is allowed a credit against the

Vermont Use Tax for any retail sales or use tax legally due and paid to another state, if that state allows a corresponding credit. When the dealer has paid a lower rate of sales tax in another state, the use tax rate is the difference between the two rates. 32 V.S.A. § 9744(3).

How to report, file, and pay Vermont Sales and Use Tax

To report, file, and pay Vermont Sales and Use Tax, the dealer must file Form SUT-451, Vermont Sales and Use Tax Return. These returns are filed on a monthly or quarterly basis and are due by the 25th day of the month after the reporting period. Dealers may file Form SUT-451 online at myVTax.vermont.gov.

