

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 2254 of the Regular Session

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

As Engrossed: H4/1/05

A Bill

HOUSE BILL 2902

5 By: Representative Scroggin
6
7

8 **For An Act To Be Entitled**

9 AN ACT TO AMEND THE SALES AND USE TAX LAWS
10 PERTAINING TO MANUFACTURED HOMES, MODULAR HOMES,
11 AND MOBILE HOMES; AND FOR OTHER PURPOSES.
12

13 **Subtitle**

14 TO AMEND THE SALES AND USE TAX LAWS
15 PERTAINING TO MANUFACTURED HOMES,
16 MODULAR HOMES, AND MOBILE HOMES.
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18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 8 is amended
22 to read as follows:

23 26-52-801. ~~Definition~~ Definitions.

24 ~~(a) As used in this subchapter, "modular home" means a factory built~~
25 ~~structure made to be moved to a location away from the factory by a~~
26 ~~conveyance which is not a part of the structure and which structure is~~
27 ~~designed to be used as a dwelling unit with a permanent foundation.~~

28 ~~(b) For the purpose of this definition, the phrase "with a permanent~~
29 ~~foundation" means the support system of the home is constructed so that the~~
30 ~~modular home may not be moved without a supporting frame or chassis being~~
31 ~~added to or placed under the structure.~~

32 ~~(c) The term "modular home" does not include a manufactured home as~~
33 ~~defined in § 20-25-102(8) or a mobile home as defined in § 26-52-504(e).~~

34 As used in this subchapter:

35 (1) "Manufactured home" means a factory-built structure produced



1 in accordance with the federal Manufactured Home Construction and Safety
2 Standards Act, designed to be used as a dwelling unit;

3 (2) "Mobile home" means a structure built in a factory prior to
4 the enactment of the federal Manufactured Home Construction and Safety
5 Standards Act and designed to be used as a dwelling unit;

6 (3) "Modular home" means a factory-built structure produced in
7 accordance to state or local construction codes and standards, designed to be
8 used as a dwelling unit; and

9 (4) "Sales price" means the purchase price of the new
10 manufactured home or modular home to be paid by the purchaser as set forth on
11 the actual invoice or bill of sale, excluding transportation and delivery
12 fees, installation fees, and other items or services that are to be included
13 as part of the final sale of the manufactured home by the retailer before the
14 consideration of a trade-in allowance or down payment paid in cash or
15 otherwise.

16
17 26-52-802. ~~Manufacturers deemed contractors~~ Sale of manufactured,
18 modular, or mobile homes.

19 ~~Manufacturers of modular homes shall be considered contractors within~~
20 ~~the meaning of § 26-52-103(a)(9).~~

21 (a) Every person selling manufactured homes or modular homes in this
22 state, whether from an established business or by a licensed retailer, shall
23 obtain a permit and report and remit to the Director of the Department of
24 Finance and Administration as provided in the Arkansas Gross Receipts Act of
25 1941, § 26-52-101 et seq., together with copies of invoices, sales, tickets,
26 or bills of sale reflecting the dates of all sales of such new manufactured
27 homes or modular homes, the purchaser's name and address, the make, year,
28 model, serial number, and sales price of each manufactured home or modular
29 home, and, if applicable, the amount of tax collected from the purchaser.

30 (b) Upon the initial sale of a new manufactured home or modular home,
31 the tax levied by § 26-52-101 et seq. shall be collected on sixty-two percent
32 (62%) of the sales price of the new manufactured home or modular home.

33 (c) No tax shall be due on the sale of mobile homes or on subsequent
34 sales of manufactured homes or modular homes, including any tax levied by §
35 26-52-101 et seq. or any other gross receipts tax levied by the state.

36

1 26-52-803. ~~Exemption granted~~ Enforcement.

2 ~~Gross receipts from the sale of new modular homes constructed from~~
3 ~~materials on which the state gross receipts tax or state compensating tax has~~
4 ~~been paid shall be exempt from the Arkansas gross receipts tax.~~

5 (a) Any permittee who fraudulently attempts to evade any provision of
6 this section or of the Arkansas Gross Receipts Act of 1941, § 26-52-101 et
7 seq. shall be subject to having his or her permit revoked after notice and
8 hearing provided in § 26-52-208.

9 (b)(1) Any manufactured home retailer licensed pursuant to § 27-14-
10 601(a)(6) that makes a subsequent purchase of a manufactured home for which
11 the seller does not have a certificate of title may, upon payment of all
12 applicable registration and title fees, register the manufactured home for
13 the sole purpose of obtaining a certificate of title.

14 (2) No license plate or decal shall be provided with the
15 registration.

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17 ~~26-52-804. —Furnishings not exempt.~~

18 ~~It is not the intent of this subchapter and nothing contained in this~~
19 ~~subchapter shall be construed to exempt from the state gross receipts tax or~~
20 ~~the state compensating tax, furniture, appliances, or other furnishings~~
21 ~~installed or placed in modular homes by the manufacturers of these homes.~~

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23 SECTION 2. Arkansas Code § 26-52-504 is repealed.

24 ~~26-52-504. —Sale of manufactured homes or mobile homes.~~

25 ~~(a) Every person selling manufactured homes or mobile homes in this~~
26 ~~state, whether from an established business, under a licensed dealership, or~~
27 ~~otherwise, shall obtain and hold a permit as provided by § 26-52-202 and~~
28 ~~shall make a monthly report and, if applicable, remittance to the Director of~~
29 ~~the Department of Finance and Administration as provided in the Arkansas~~
30 ~~Gross Receipts Act, § 26-52-101 et seq., together with copies of invoices,~~
31 ~~sales, tickets, or bills of sale reflecting the date of all sales of such~~
32 ~~manufactured homes or mobile homes, the purchaser's name and address, the~~
33 ~~make, year, model, serial number, and gross sales price of each manufactured~~
34 ~~home or mobile home, and, if applicable, the amount of tax collected from the~~
35 ~~purchaser.~~

36 ~~(b) Upon the initial sale of a manufactured home as defined in § 20-~~

1 ~~25-102(8), the tax levied by § 26-52-101 et seq., and all other gross~~
2 ~~receipts taxes levied by the state shall be paid on sixty two percent (62%)~~
3 ~~of the gross sales price of the new manufactured home. As used in this~~
4 ~~subchapter, "gross sales price" shall mean the total purchase price of the~~
5 ~~new manufactured home, including any accessories, furnishings, appliances,~~
6 ~~transportation and delivery fees, installation fees and other items or~~
7 ~~services that are included as part of the sale of the manufactured home,~~
8 ~~before the consideration of any trade-in allowance or downpayment, in cash or~~
9 ~~otherwise.~~

10 ~~(c) No tax shall be due on the sale of mobile homes or on subsequent~~
11 ~~sales of manufactured homes as defined in § 20-25-102(8), including any tax~~
12 ~~levied by § 26-52-101 et seq. or any other gross receipts tax levied by the~~
13 ~~state. As used in this subchapter, "mobile home" shall mean a structure built~~
14 ~~in a factory prior to the enactment of the Federal Manufactured Home~~
15 ~~Construction and Safety Standards (42 U.S.C. § 5401 et seq.), and designed to~~
16 ~~be used as a residential dwelling, with or without a permanent foundation.~~

17 ~~(d) Any permittee who fraudulently attempts to evade any provision of~~
18 ~~this section or of the Arkansas Gross Receipts Act, § 26-52-101 et seq.,~~
19 ~~shall be subject to having his permit revoked after notice and hearing as~~
20 ~~provided by § 26-52-208, as amended.~~

21 ~~(e)(1) Any manufactured home dealer licensed pursuant to § 27-14-~~
22 ~~601(a)(6) who makes a subsequent purchase of a manufactured home for which~~
23 ~~the seller does not have a certificate of title may, upon payment of all~~
24 ~~applicable registration and title fees, register the manufactured home for~~
25 ~~the sole purpose of obtaining a certificate of title.~~

26 ~~(2) No license plate or decal shall be provided with such~~
27 ~~registration.~~

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29 /s/ Scroggin

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32 **APPROVED: 4/13/2005**

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