

Sales of Manufactured Homes for Residential Use

Social Service Tax Act [Please view this bulletin in conjunction](#) ☐
[with Budget Bulletin 2004](#) ☐

This bulletin outlines the application of social service tax to sales of manufactured homes and to taxable services provided to manufactured homes. To qualify for the tax applications outlined in this bulletin, the home must meet the definition of a manufactured home. A recreational vehicle that is eligible to be registered under the *Motor Vehicle Act* **does not qualify** as a manufactured home.

Effective July 31, 2001, a manufacturer of manufactured homes may qualify for an exemption of tax on the purchase of certain production machinery and equipment used to manufacture the homes. Please refer to [Bulletin SST 054, *Manufacturers*](#), for more information.

When a manufactured home is sold or leased for a non-residential purpose, tax applies in the same manner as to other forms of portable buildings. Please refer to [Bulletin SST 048, *Sales and Leases of Portable Buildings*](#), for information about the application of tax to portable buildings.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Social Service Tax Act* and regulations can be found on the web at www.rev.gov.bc.ca

IN THIS ISSUE...

- **Definition of a Manufactured Home**
- **New Manufactured Homes**
- **Used Mobile Homes**
- **Furnishings and Appliances**
- **Taxable Services**

DEFINITION OF A MANUFACTURED HOME

"Manufactured homes" include the following two categories.

MOBILE HOME

A home manufactured to Canadian Standards Association Standard Z-240, or any other mobile home which is similar in design and construction, provided that each unit is completely constructed in all essential features prior to delivery from the factory.

MODULAR HOME

A home manufactured to Canadian Standards Association Standard A-277, or any other modular home built to a standard required by the National Building Code and qualifying for Canada Mortgage and Housing Corporation financing provided that each unit is completely constructed in all essential features prior to delivery from the factory.

NEW MANUFACTURED HOMES

EXEMPTION FOR PURCHASER

A sale of a manufactured home by a dealer or manufacturer to a customer for residential use is considered to be a sale of real property. There is no tax payable by the customer on the purchase price of a new manufactured home provided it will be used as a residential dwelling and it is purchased from a dealer registered as a vendor under the *Social Service Tax Act*.

"Residential use" means use as a single family dwelling. This **does not include** bunk houses, wash houses, kitchen and dining units, recreational vehicles (e.g., travel or tent trailers, motor homes, slide-on or chassis-mounted campers), or other vehicles or structures of the same general class.

PAYMENT OF TAX BY DEALERS AND MANUFACTURERS

Purchased in province: Social service tax is payable by the dealer or manufacturer of the manufactured home as follows.

- Dealers who are not the manufacturers of the units they sell must pay tax on 50% of their cost of the mobile home or 55% of their cost of the modular home, not including GST.
- Dealers who are the manufacturers of the units they sell must pay tax on their cost of materials incorporated into the manufactured home, not including GST.

As such sales are considered to be sales of real property, in no instance will a credit be allowed on the trade-in of a mobile home for purposes of calculating the tax due by the seller.

Purchased out-of-province: Out-of-province manufacturers who are registered as vendors in British Columbia may sell manufactured homes to British Columbia residents exempt from tax, provided the manufacturers remit social service tax on their cost of the units, not including GST.

Similarly, out-of-province dealers who are registered as vendors in British Columbia may sell manufactured homes to British Columbia residents exempt from tax, provided the dealers remit tax based on 50% of the cost of the mobile home or 55% of the cost of the modular home, not including GST.

Where a new manufactured home is purchased from an out-of-province dealer or manufacturer who is not a registered vendor and who has not remitted the tax on the cost of the unit, the purchaser is required to pay tax on the purchase price. This includes transportation and all other costs and expenses, other than GST, incurred prior to use of the unit in the province.

USED MOBILE HOMES

DEFINITION

A used mobile home means a mobile home manufactured to the Canadian Standards Association Standard Z-240 as defined above, or a mobile home which may not fully meet the Canada Z-240 standard but meets all other requirements for the exemption. This **does not include** recreational vehicles or components such as travel or tent trailers, slide-on or chassis mounted campers, or other vehicles or structures of the same general class.

EXEMPTION

Used mobile homes sold for residential use are exempt from tax provided that one of the following conditions is met:

- the home was previously sold at a retail sale and tax was paid as required under the Act; or
- the home was previously sold at a retail sale and, as a result of being eligible for an exemption, no tax was required to be paid on it.

When a used mobile home is acquired out-of-province and British Columbia social service tax has not previously been paid on the unit, the purchaser is required to pay tax on the full purchase price of the unit, including transportation charges and any other costs incurred prior to use in the province, except GST.

FURNISHINGS AND APPLIANCES

NEW MANUFACTURED HOMES

Draperies, free-standing furniture, and appliances sold with a new manufactured home are not considered to be part of the home. Tax must be collected by the seller on the full selling price of these items, which will not be less than the seller's cost. Sellers may acquire these items exempt from tax by quoting their vendor registration number to their supplier.

USED MANUFACTURED HOMES

Dealers who own, or have on consignment, an inventory of used manufactured homes are not required to collect tax on draperies, free-standing furniture, and appliances that may be included with the used manufactured home, provided there is no separate charge for these items.

Where there is no separate charge but such items have been installed or replaced by the dealer, the dealer must pay tax on the total cost.

If the dealer makes a separate charge for draperies, free-standing furniture and appliances that are included in the used manufactured home, the dealer must collect tax on the charge.

TAXABLE SERVICES

DEFINITION

A taxable service is any service to install, assemble, dismantle, repair, adjust, restore, recondition, refinish, or maintain tangible personal

property. The social service tax applies to purchases of these services.

EXEMPTION

Taxable services provided to manufactured homes that are used for residential purposes have been specifically exempted from tax by regulation. As a result, tax does not apply when such services are provided to these homes. Taxable services provided to draperies, furnishings and appliances designed for household use (e.g. stoves, refrigerators, ovens, washers, dryers, etc.) are also exempt from tax.

MORE INFO: [Bulletin SST 018, Taxable Services](#).

NEED MORE INFO?

This bulletin is provided for convenience and guidance. If you still have questions call us at 604 660-4524 in Vancouver or toll-free at 1 877 388-4440 elsewhere in Canada or refer to the legislation.

Information is also on the Web at www.rev.gov.bc.ca While there, you can subscribe to our free electronic update service.

References: *Social Service Tax Act, Sections 1, 40, 70(i), 76(1)(k); Regulations 2.45(b), 3.18, 3.19.*