



Sales and Use Tax on Mobile and Prefabricated Home Repair, Remodeling, and Additions

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How does sales and use tax apply to repair/remodeling of mobile or prefabricated homes?

Definitions

Fixture – An item attached to real property in a permanent manner and becomes an accessory to a building, other structure, or land but does not lose its identity when installed. Mobile homes are not fixtures unless assessed as real property. Industrial/commercial machinery and equipment are not fixtures.

Real property – The land, its improvements, and fixtures; also called “realty” and “real estate.”

Tangible personal property – Personal property that you can see, weigh, measure, touch, or is in any manner perceptible to the senses, including electric power or energy.

How Does Tax Apply To A Job?

To determine how sales or use tax applies to a job, check the decal that is on the home.

If the unit has an **RP (real property) decal**, the job is an improvement or repair to real property. The repairperson is the ultimate consumer of the materials and supplies used to improve the mobile or prefabricated home. The repairperson must pay tax on these items and charge no tax to the homeowner. If no sales tax was paid at the time the materials and supplies were bought, the repairperson must pay use tax and discretionary sales surtax. See “Use Tax.”

Note: When the unit has an RP decal, the decal number must be on the contract or invoice as proof that the repair was done to real property.

If the unit has an **MH (mobile home) decal or no decal**, the job is a repair to tangible personal property. When the repairperson supplies any materials used in the repair, the entire charge (including labor) is subject to sales tax and must be charged to the customer. This is true even when the repairperson does not make a separate charge for materials to the customer. Unlike a real property improvement, where the repairperson is the ultimate consumer of the materials to complete the repair, the repairperson does not have to pay sales or use tax on materials since the tax on these items will be collected from the homeowner. In this case, the repairperson must provide a signed copy of their current Annual Resale Certificate to their supplier to buy materials and supplies tax-exempt for the job. The repairperson must be registered with us to receive this certificate. See “Who Must Register to Collect Tax?”

If the repairperson supplies NO materials for a repair (provides labor only), then tax should not be charged to the customer. The repairperson should write on the invoice that the repair was “labor only – no parts used.”

Who Must Register to Collect Tax?

Repairs to tangible personal property – A repairperson who repairs any mobile or prefabricated home which has an MH decal or no decal must register with us and collect and pay sales tax and discretionary sales surtax on the total charge for the repair.

How Do I Register to Collect Tax?

You can register to collect and/or report tax through our Internet site at **www.myflorida.com/dor**. 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 *Application to Collect and/or Report Tax in Florida* (Form DR-1).

After we approve your registration application, you will get a *Certificate of Registration* (Form DR-11), an *Annual Resale Certificate* (Form DR-13), and your tax return forms. You must provide a signed copy of your current *Annual Resale Certificate* to buy materials tax-exempt that will be used in the repair of tangible personal property.

Use Tax

Use tax is a part of Florida's sales tax. If you buy materials and supplies tax-exempt for resale but then use them for an improvement to real property, the "use" of the items is subject to use tax. You must report and pay use tax on these items, plus any applicable surtax, penalties and interest. There are additional penalties for misuse of your annual resale certificate.

Discretionary Sales Surtax

Most Florida counties charge a discretionary sales surtax on transactions that are subject to sales and use tax. The tax is based on the tax rate in the county in which the consumer, usually the repairperson, takes delivery of the tangible personal property. In the case of retail sale plus installation contracts, compute the tax using the rate of the county in which the improvements or repairs are made. If you use materials to make items at your shop, compute the tax on these items using the rate in the county where your shop is located. For more information, you can get a *Discretionary Sales Surtax* brochure (Form GT-800019) and a list of surtax counties and rates (Form DR-15DSS) from our Internet site.

When Is Tax Due?

Returns and payments are due on the 1st and late after the 20th day of the month after the date of transaction. For example, if the transaction takes place on the 1st of one month, then tax is due the 1st of the next month.

Returns and payments postmarked after the 20th are late. However, if the 20th falls on a Saturday, Sunday, or state or federal holiday, returns and payments will not be late if postmarked on the first business day after the 20th.

If you make tax payments using electronic funds transfer (EFT), funds must be sent before 5:00 p.m., ET, on the business day before the 20th.

Penalty and Interest

A taxpayer who files a late return or is late in paying the tax due will be assessed a late **penalty** of 10 percent of the amount of tax owed, but no less than \$50. The \$50 minimum penalty applies even if no tax is due. Penalty also applies if the return or payment is on time but is incomplete.

A floating rate of **interest** applies to underpayments and late payments of tax. We update the rate January 1 and July 1 of each year by using the formula established in section 213.235, Florida Statutes. Current and prior period interest rates are posted on our web site.

Reference Material

Tax Laws – Our online Tax Law Library contains statutes, rules, legislative changes, opinions, court cases, and publications. Search the law library for section 212.05, Florida Statutes, *Sales, storage, use tax*; Rule 12A-1.051, Florida Administrative Code, *Sales to or by Contractors Who Repair, Alter, Improve, and Construct Real Property*; and 12A-1.006, F.A.C., *Charges by Dealers Who Adjust, Apply, Alter, Install, Maintain, Remodel, or Repair Tangible Personal Property*.

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

- *Florida's Sales and Use Tax*
- *Discretionary Sales Surtax*
- *Building Contractors*
- *Repair of Tangible Personal Property*
- *Taxation of Mobile Homes in Florida*

For Information and Forms

Information and forms are available on our Internet site at: **www.myflorida.com/dor**

To speak with a Department of Revenue representative, call Taxpayer Services, Monday through Friday, 8 a.m. to 7 p.m., ET, at 800-352-3671.

Persons with hearing or speech impairments may call our TDD at 800-367-8331 or 850-922-1115.

For a written reply to tax questions, write:

Taxpayer Services
Florida Department of Revenue
5050 W Tennessee St Bldg L
Tallahassee FL 32399-0112

Get the Latest Tax Information

Sign up to get e-mail notices automatically when we post:

- Tax Information Publications (TIPs).
- *Facts on Tax*, a quarterly publication.
- Proposed rules, notices of rule development workshops, and more.

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