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## **Changes Affecting Factory-Built Home Dealers**

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The purpose of this publication is to provide a brief description of the application of West Virginia consumers sales and service and use tax requirements on the sale and/or installation of factory-built homes.

### **Purchase Price of Factory-Built Homes**

Effective January 1, 2004, individuals who purchase a factory-built home to be used as their principal year-round residence are required to pay consumers sales tax at the rate of 6% of **half the sales price** of the home. The factory-built home dealer should obtain a Certificate of Principal Use (WV/CST-281) from the purchaser certifying that the factory-built home will be used in this manner.

All other sales of factory-built homes will be subject to the 6% tax rate. Example: If a construction company purchases a factory-built home to be used as an office, the sales tax rate is six percent.

Factory-built home dealers must also collect the 6% sales tax from the customer for any labor and materials billed to the customer for the delivery, set up, hook up or installation of the factory-built home.

### **Site Preparation, Foundation Work and Major Utility Work Still “Contracting Activity”**

Certain factory-built home installation activities remain classified as contracting. When the installation of the factory-built home includes activities, such as site preparation, construction of a permanent foundation and installation of electrical, water and sewage services, these activities will be considered contracting activities (and not incidental to the sale) separate from the sale and installation of the factory-built home. The person performing these contracting activities will not collect the sales tax from his customer on the charges made for these activities, but must pay the sales tax or use tax on any machinery, equipment, supplies and materials he purchases for use in providing the work.

### **Additional \$20 Fee Dedicated to the West Virginia Affordable Housing Trust Fund**

Effective January 1, 2008, there shall be a \$20.00 fee, in addition to the consumers sales tax, that is to be collected by the dealer on the sale of a factory-built home. This fee, which will be deposited in the Affordable Housing Trust Fund, will be used to assist low to moderate-income individuals when they purchase a home.

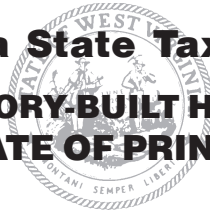
The report period for this return is the same as the dealer’s report period for filing the consumers sales tax return. Form WV/FBH-100 will be used to remit the fee(s) collected and will be due on the 20<sup>th</sup> day of the following month. The first return is due February 20, 2008.

West Virginia State Tax Department  
Taxpayer Services Division  
P. O. Box 3784  
Charleston, West Virginia 25337-3784  
Telephone: (304) 558-3333  
Toll free : 1-800-WVA-TAXS (1-800-982-8297)  
or visit our web site:

**<http://www.state.wv.us/taxdiv>**

TDD service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)

# West Virginia State Tax Department



## FACTORY-BUILT HOMES CERTIFICATE OF PRINCIPAL USE

### INSTRUCTIONS:

1. This document is to certify that the purchase of the factory-built home below is to be used by the purchaser as his or her principal year-round residence and dwelling.
2. This certificate must be completed at the time the contract of sale is signed and must be retained by the vendor or retailer.
3. Print or type the information requested by this certificate. **POST OFFICE BOX** numbers, as an address, are not acceptable and render this certificate void. A rural route with a box number is acceptable.

**Note:** Effective January 1, 2004, individuals who purchase a factory-built home to be used as their principal year-round residence are required to pay consumers sales tax at the rate of 6% of **half the sales price** of the home.

### TO THE TAX COMMISSIONER OF WEST VIRGINIA:

I (We), the undersigned, whose address is \_\_\_\_\_  
(Street and Number or Rural Route)

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(City, Town or Post Office) (State) (Zip Code)

hereby certify that on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, I (we) purchased from

\_\_\_\_\_, \_\_\_\_\_,  
(Retailer's Name) (Retailer's Address)

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(City) (State) (Zip Code)

the following described factory-built home:

\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_  
(Make) (Model) (Year) (Serial Number)

I (we) further certify that this home will be used by the purchaser(s) as my (our) principal year-round residence and dwelling.

This certification is made under penalty of perjury.

NAMES OF PURCHASER(S) (*Please Print*):

SIGNATURE(S) OF PURCHASER(S):

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_