**Private Letter Ruling**

|  |  |
| --- | --- |
| **Ruling Number:** | **P-2001-084** |

|  |  |
| --- | --- |
| **Tax Type:** | **Kansas Retailers' Sales Tax** |
| **Brief Description:** | **Court-ordered sale of manufactured (mobile homes.** |
| **Keywords:** |  |
| **Approval Date:** | **08/08/2001** |

**Body:**

Office of Policy & Research  
  
  
August 8, 2001

XXXX  
XXXX  
XXXX

RE: Your fax of August 3, 2001

Dear XXXX:  
  
Thank you for your recent fax. You ask if the court-ordered sale of two manufactured (mobile) homes is subject to sales tax. The two homes were originally purchased from a dealer in September, 1999 for $160,000. The purchase price included site preparation work and installation of the homes.  
  
Sales of new manufactured homes are taxed as sales of tangible personal property. However, K.S.A. 79-3606(ff) provides an exemption to the extent of 40% of the selling price. This has the effect of taxing 60% of the selling price for a new manufactured home. This roughly approximates the exemption of labor services that Kansas statutes extend for labor service charges for constructing a stick-built home.  
  
To provide similar treatment for stick-built *used* homes and used manufactured homes, K.S.A. 79-3606(bb) provides an outright exemption for sales of used mobile or manufactured homes. This provision recognizes that sales tax does not apply to real estate sales, which include the sales of homes.  
  
Given your description of the transactions in question, it appears that the sales of the two homes qualify as sales of “used” manufactured homes. Accordingly, there is a specific exemption for these sales, whether or not they are affixed to real property. While sheriff sales of tangible personal property are normally taxable because such sales are recurring in nature, sales of used mobile homes are exempted by statute regardless of who makes the sale. This would include the sale by a sheriff. Accordingly, I believe that any tax collected on these sales should be refunded to the purchasers who acquired the homes at the sheriff’s sale.

Sincerely,  
  
  
Thomas E. Hatten  
Attorney/Policy & Research

**Date Composed: 08/09/2001 Date Modified: 10/11/2001**