



SALES AND USE TAX FOR DEALERS OF FACTORY-BUILT HOMES

The purpose of this publication is to provide a brief description of the state and municipal sales and use tax requirements on the sale and/or installation of factory-built homes. This publication provides general information. It is not a substitute for tax laws or regulations.

WHAT IS A FACTORY-BUILT HOME?

- "Factory-built home" includes modular homes, mobile homes, house trailers and manufactured homes. See W. Va. Code § 37-15 for more information.

SALES TAX ON FACTORY-BUILT HOMES

- Individuals who purchase a factory-built home to be used as their principal year-round residence must pay sales tax at the rate of 6% (or more if municipal sales tax applies) on one-half the sales price of the home. The factory-built home dealer must obtain a Certificate of Principal Use ([WV/CST-281](#)) from the purchaser certifying that the factory-built home will be used as a principal year-round residence.
- All other sales of factory-built homes are subject to the 6% tax rate on the full purchase price. Example: If a construction company purchases a factory-built home for \$100,000 to be used as an office, the sales tax is 6% of \$100,000 (\$6,000).
- Factory-built home dealers must also collect the 6% (or more if municipal sales tax applies) 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.
- For a list of municipalities, effective dates and rates, visit our website at:

<https://tax.wv.gov/Business/SalesAndUseTax/Pages/SalesAndUseTax.aspx>

SITE PREPARATION, FOUNDATION WORK AND MAJOR UTILITY WORK STILL "CONTRACTING ACTIVITY"

- Certain factory-built home installation activities are classified as contracting. Activities such as site preparation, construction of a permanent foundation or installation of electrical, water and sewage services, these activities are contracting activities separate from the sale and installation of the factory-built home. Such activities are not incidental to the sale. 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 sales or use tax on any machinery, equipment, supplies and materials purchased for use in providing the work.

ADDITIONAL \$20 FEE DEDICATED TO THE WEST VIRGINIA AFFORDABLE HOUSING TRUST FUND

- In addition to the sales tax, the dealer must collect a \$20 fee on the sale of a factory-built home. This fee, which is 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](#) must be used to remit the fee(s) collected, which are due on the 20th day of the following month.

ASSISTANCE AND ADDITIONAL INFORMATION

- For assistance or additional information, you may call a Taxpayer Service Representative at:

**1-800-WVA-TAXS
(1-800-982-8297)**

Or visit our website at:

www.tax.wv.gov

File and pay taxes online at:

<https://mytaxes.wvtax.gov>