



**Sales and Use Tax Division
North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640-0001
www.ncdor.gov**

**IMPORTANT NOTICE: MANUFACTURED HOMES AND MODULAR HOMES
FIFTY PERCENT (50%) EXEMPTION**

Effective September 1, 2014, for sales on or after that date, N.C. Gen. Stat. § 105-164.13(64) exempts fifty percent (50%) of the sales price of a manufactured home or modular home sold at retail, including all accessories attached when delivered to the purchaser. Effective January 1, 2014, Session Law 2013-316 amended N.C. Gen. Stat. §§ 105-164.4(a)(1a) & 105-164.4(a)(8) to provide the general 4.75% State rate of sales and use tax applies to the sales price of each manufactured home or modular home sold at retail, including all accessories attached to the manufactured or modular home when it is delivered to the purchaser. N.C. Gen. Stat. § 105-467(a) continues to provide that the sale of a manufactured home or modular home is not subject to local and transit sales and use taxes.

The date of transfer of title or possession, typically the delivery date, of a manufactured home determines the State rate of sales and use tax applicable to the retail sale or purchase. The date a retail sales invoice, bill of sale, or similar document is signed for the sale or purchase of a manufactured home does not determine the rate of State sales or use tax applicable to the sale or purchase where such date is different from the date of transfer of title or possession.

Reporting

To report the proper amount of tax on Form E-500, Sales and Use Tax Return, for the sale of a manufactured home or modular home on or after September 1, 2014, enter fifty percent (50%) of the sales price on either Line 6, for Modular Homes, or Line 7, for Manufactured Homes, whichever is applicable, and calculate the tax due. Report the remaining 50% of the sales price of a manufactured home or modular home sold at retail on or after September 1, 2014 and exempt from sales and use tax on Line 3, Receipts Exempt From State Tax.

Additional Information

For additional information on the sale of a manufactured home for sales and use tax purposes and charges included in the sales price of manufactured home sold at retail see Directive [SD-13-2](#), Manufactured Homes. For additional information on the sale of a modular home for sales and use tax purposes and charges included in the sales price of a modular home, see Directive [SD-13-3](#), Modular Homes. **To the extent that any provision in Directive SD-13-2 or SD-13-3 conflicts with this Important Notice, the provisions contained in this Important Notice supersede.**

Assistance

General questions regarding this notice should be directed to the Taxpayer Assistance and Collection Center at telephone number 1-877-252-3052 (toll-free).