



**COLORADO**  
Department of Revenue  
Taxation Division

Office of Tax Policy  
P.O. Box 17087  
Denver, CO 80217-0087

DOR\_TaxPolicy@state.co.us

GIL-09-024

May 13, 2009

XXXXXXXXXXXXX  
Attn: XXXXXXXXX  
XXXXXXXXXXXXX  
XXXXXXXXXXXXX

Re: modular home sale

Dear XXXXXXXXX,

You request guidance regarding a modular home sold by your company. The Department issues general information letters and private letter rulings. A general information letter provides a general overview of the applicable tax law, does not provide a specific determination, and is not binding on the department. A private letter ruling is a determination of the applicability of tax to a specific set of circumstances and is binding in the department. A party requesting a private letter ruling must provide certain information and remit a fee. For more information about general information letters and private letter rulings, please refer to the Department's regulation 24-35-103.5, C.R.S., which is available on our web site at: [www.colorado.gov/revenue/tax](http://www.colorado.gov/revenue/tax). You have requested a general information letter.

**Issue**

Is the Company liable for sales or use tax in Colorado?

**Discussion.**

You state that your company sold a modular home to a Colorado buyer. The home was purchased directly from the factory, which we assume is located in XXXXX [another state], and delivered to the purchaser in Weld County, Colorado. You have completed the home, which we assume means that the Company performed a variety of construction services related to installation and completion of the home in order to receive a certificate of occupancy from the county.

Colorado imposes sales tax on the sale of tangible personal property, including factory-built homes. As the seller of such property, you are obligated to collect this tax from the buyer and remit the tax to the Department.

Forty-eight percent of a factory-built housing's purchase price is exempt from the sales tax. §39-26-721(1), C.R.S. "Factory-built housing" includes modular or sectional homes, and mobile homes used primarily for residential occupancy. §24-32-703(3), C.R.S.; Colo. Code Regs. §39-26-721.1 .

Mobile home defined: A "mobile home" is a structure, transportable in one or more sections, that is:

- at least eight by thirty-two body feet in width and length;
- built on a permanent chassis;
- designed to be used as dwelling without permanent foundation when connected to required utilities (plumbing, heating, air conditioning, and electrical systems). Colo. Rev. Stat. §24-32-703(6.3).

A manufactured home is defined as a pre-constructed complete building unit or combination of pre-constructed complete building units without motor power designed and commonly used for single-family residential occupancy by those in either temporary or permanent locations, which unit or units are manufactured in a factory or at a location other than the completed home's residential site and which units are not licensed as a recreational vehicle. §24-32-703(6.1), C.R.S.

A modular or sectional home is defined as a factory-built structure that:

- is built to a customer's specifications or inventory standards;
- is not titled;
- may be approved for HUD/FHA long-term financing;
- complies with conventional residence building codes; and
- is separate from its delivery chassis. Colo. Code Regs. §1 CCR201-5

No certificate of title will be issued for a mobile home until any tax due on its sale and purchase has been paid. Colo. Rev. Stat. §39-26-113(1) ; Colo. Rev. Stat. §39-26-208(1).

### **Miscellaneous**

Enclosed is a redacted version of this ruling. Pursuant to statute and regulation, this redacted version of the ruling will be made public within 60 days of the date of this letter. Please let me know in writing within that 60 day period whether you have any suggestions or concerns about this redacted version of the ruling.

Sincerely,

Office of Tax Policy  
Colorado Department of Revenue