

ALABAMA DEPARTMENT OF REVENUE - SALES AND USE TAX RULES
Code of Alabama 1975, Sections 40-23-31 and 40-23-83

810-6-2-.32. House Trailers and Mobile Homes.

(1) The gross proceeds of sales of house trailers or mobile homes are taxable at the reduced automotive rate of sales or use tax. Where any house trailer or mobile home is taken in trade as a credit or part payment on the sale of a new or used house trailer or mobile home, the measure of sales or use tax shall be the price of the new or used house trailer or mobile home sold less credit for the house trailer or mobile home taken in trade. (Sections 40-23-2(4) and 40-23-61(c), Code of Alabama 1975)

(2) The reduced automotive rate of sales or use tax also applies to parts, attachments, or accessories for house trailers or mobile homes purchased from the dealer as a unit along with the house trailer or mobile home. Parts, attachments, or accessories purchased from the dealer after title and possession of the house trailer or mobile home has passed to the purchaser are taxable at the general rate of sales or use tax. The dealer's sales invoice shall be the basis for determining the applicable tax rate unless there is conclusive evidence that the invoice does not reveal the true facts. (Sections 40-23-2(1) and 40-23-61(a), Code of Alabama 1975)

(3) Where a dealer purchases parts and materials or withdraws parts and materials from a stock of goods for use in repairing or reconditioning house trailers or mobile homes which (i) are owned by the dealer, (ii) are offered for sale by the dealer, and (iii) are not for the dealer's own use or consumption, the parts and materials would be exempt from sales or use tax when purchased or withdrawn from the dealer's stock of goods. (Sections 40-23-1(a)(9)k and 40-23-60(4)j, Code of Alabama 1975)

(4) Mobile home set-up materials and supplies are taxable at the reduced automotive rate of sales or use tax. These items qualify for the reduced rate regardless of who sells them or to whom they are sold provided the facts substantiate that they were used to set-up a house trailer or mobile home. The term "mobile home set-up materials and supplies" shall include steps; blocks; anchoring materials such as cable, straps, and buckles; and pipe. The term shall not include tape or other similar supply items which lose their identity or are not passed on substantially intact to the owner of the mobile home. The term "mobile home set-up materials and supplies" shall not include hand tools or electrical tools used to set-up a mobile home and not becoming a part of the mobile home dwelling. (Sections 40-23-2(4) and 40-23-61(c), Code of Alabama 1975) (Adopted July 2, 1975, amended November 3, 1980, readopted through APA effective October 1, 1982, amended January 24, 1989, amended January 29, 1990, amended December 28, 1998)