



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401
<http://tax.vermont.gov>

Agency of Administration

MEMORANDUM

TO: Town Clerks and Legal Professionals
FROM: Mike Piwowarski, Property Valuation and Review
SUBJECT: Property Transfer Tax Returns and Mobile Homes
DATE: November 10, 2011

There has been some confusion regarding when a property transfer tax return must be filed with respect to a mobile home.

A Vermont property transfer tax is required to be filed with the town clerk at the time the deed is delivered in the following situations:

(1) **Mobile home is affixed to land.** A Vermont property transfer tax return is required to be filed when a mobile home that is real property is transferred. A mobile home is real property when it is affixed to land, regardless of whether the underlying land is owned or leased by the transferor. Factors that indicate that a mobile home is affixed to land include, but are not limited to, the following:

- A. The mobile home has been set up on blocks or otherwise stabilized so that the wheels do not form a major part of the structural support.
- B. The mobile home has been connected to utilities such as electricity, sewage, water, gas or oil.
- C. Skirting has been erected around the base of the mobile home.
- D. The wheels and or tires have been removed.
- E. The mobile home has been situated in a place which makes its removal unlikely.

For example, a mobile home located in a mobile home park and connected to utilities is affixed to the land even if the owner of the mobile home does not own the underlying land.

(2) **Mobile home is financed as real estate.** A mobile home purchased from a mobile home dealer on or after July 1, 2008 is required to be transferred by warranty deed if the purchase is financed as residential real estate. A property transfer tax return is required to be filed. When the owner of a mobile home that has been financed as real estate is transferred, the transfer shall be by warranty or quitclaim deed and a property transfer tax return is required. 9 V.S.A. §§ 2603, 2604.

Conversely, a Vermont property tax return is not required if the mobile home that is not affixed to land *and* is not financed as residential real estate. In such case, the mobile home is tangible personal property and subject to sales tax on 60 percent of sale price. 32 V.S.A. § 9741.

There are separate laws requiring execution of a bill of sale prior to sale or transfer of ownership when a mobile home is being physically relocated to another town. However, these laws do not apply to a valid transfer (by warranty deed) of a mobile home by deed when financed as residential real estate. 9 V.S.A. § 2602(b).