



Modular or Sectional Homes

A "modular or sectional home" is a factory-built structure (1) that is built to a customer's specifications or inventory standards; (2) that is not titled; (3) that may be approved for HUD/FHA long-term financing; (4) that complies with conventional residence building codes; and (5) that is separate from its delivery chassis.

A manufacturer or dealer who enters into a single contract with the customer is a construction contractor if the contract requires the manufacturer or dealer to sell and install the structure by incorporating it into the realty of the customer before the title to the structure is passed. The manufacturer or dealer is considered to be the final user or consumer of the materials and supplies incorporated into the real estate under the contract.

A manufacturer or dealer who merely sells a modular or sectional home to a customer and does not at the time agree to incorporate it into the realty of the customer is considered a retailer and is required to charge sales tax on 52% of the sales price of the structure. (Effective June 7, 1979.)

A modular and sectional home manufacturer or dealer may be both a contractor and retailer.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.