

## ***Appendix 4 - State Tax Bulletin No 6 (Taxation of Mobile Homes, Camper Trailers and Truck Campers)***

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REFERENCE: Title 36, MRSA, Sections 551, 553, 603, 1481-1491.

The purpose of this bulletin is to explain, as simply as possible, the manner in which mobile homes, camper trailers and truck campers are to be taxed in municipalities.

The provisions noted in this bulletin cover all mobile homes, including those adapted to commercial use, as well as camper trailers and truck campers. These provisions do not apply to cargo trailers, which are not in any event subject to excise tax, and which are taxable on the same basis as other personal property.

Generally speaking, a mobile home, camper trailer or truck camper is subject to excise tax only when registration is sought prior to commitment of property taxes, or under circumstances where a property tax does not apply (where registration is sought for a mobile home, camper trailer or truck camper purchased after April 1, or brought into the State by a nonresident after April 1).

So far as property taxes are concerned, mobile homes are taxable as real estate. If a mobile home is excised it is still subject to real estate tax (though a credit for excise tax paid is allowed toward the real estate tax).

So far as property taxes are concerned, camper trailers or truck campers are taxable as personal property, except in the rare instance in which such a trailer might be affixed to the land, in which case it would be taxable as real estate. If a camper trailer or truck camper is excised it is exempt from property tax for that year.

All of the foregoing is explained in greater detail on the pages following:

- Definitions . So far as the special provisions relating to taxation of such mobile homes, camper trailers and truck campers are concerned, and so far as this bulletin is concerned, the terms "mobile home," "camper trailer" and "truck camper" are defined as follows:

A. Mobile Home . "Mobile home," not including camper trailer or truck camper, means:

1. A structure, transportable in one or more sections, which is 8 body feet or more in width and is 32 body feet or more in length, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

A mobile home remains a mobile home for purposes of this Title even though it may be used for the advertising, sales, display or promotion of merchandise or services, or for any other commercial purposes except the transportation of property.

2. A trailer or semitrailer which is 32 feet or longer and primarily designed and constructed to provide temporary living quarters for recreational, camping, travel or other use.

B. Camper Trailer . "Camper trailer" means:

1. A trailer or semitrailer of less than 32 feet in length primarily designed and constructed to provide temporary living quarters for recreational, camping, travel or other use.

2. A manufactured or homemade tent trailer, so called, which consists of a platform, shelf or box, with means of permanently or temporarily attaching a tent, used to provide temporary living quarters for recreational, camping, travel or other use.

C. Truck Camper . "Truck camper" means:

1. A slide in camper designed to be mounted on a truck body to provide temporary living quarters for recreational, camping, travel or other use.

2. Taxation of Mobile Homes, Camper Trailers and Truck Campers in General.

Such mobile homes, camper trailers and truck campers may be subject to the motor vehicle excise tax, personal property tax, or real estate tax, as follows:

A. Motor Vehicle Excise Tax . The excise tax is a tax for the privilege of operating a mobile home, camper trailer or truck camper upon the public ways. The excise tax applies even after property taxes have been committed to the collector if the camper trailer is to be moved over the public ways. However, after that date, the property tax will be allowed as a credit against any excise tax due. Where a person acquires a mobile home, camper trailer or truck camper after April 1, or, being a nonresident of the State, brings such a mobile home, camper trailer or truck camper into the State after April 1, and then wishes to register it in Maine , the excise tax will apply.

Ordinarily an excise tax will not be paid unless the owner intends to register the mobile home, camper trailer or truck camper for highway use, since there is nothing to compel payment of the excise tax other than the fact that the mobile home, camper trailer or truck

camper cannot be registered unless the applicable excise and/or property tax has been paid. For further information regarding the excise tax, see Section VI of this bulletin.

- Personal Property Tax . The personal property tax should not be assessed on any mobile homes.

The personal property tax should be assessed on camper trailers and truck campers:

1. Where the trailer is not affixed to the land, and
2. Where the excise tax has not been paid prior to commitment of property taxes.

Since camper trailers and truck campers will rarely be found affixed to the land they will normally be taxable as personal property unless the excise tax has been paid. For further information regarding the personal property tax, see Section VII of this bulletin.

C. Real Estate Tax . The real estate tax should be assessed:

1. On all mobile homes.

The fact that an excise tax has been paid does not render the mobile home exempt from real estate taxation; but the law provides that where an excise tax has been paid and the mobile home is later in the year taxed as real estate, the excise tax paid shall be allowed as a credit on the real estate tax.

2. On camper trailers and truck campers.

Only where the camper trailer or truck camper is affixed to the land, whether located on land owned by the owner of the trailer or not.

For further information regarding the real estate tax, see Section VII of this bulletin.

D. Trailers Owned by Nonresident Servicemen . Nonresident servicemen (that is, servicemen with legal residence outside the State of Maine) are in general not subject to taxation, either property tax or excise tax, with respect to personal property located in this State, because of the Federal Soldiers' and Sailors' Civil Relief Act.

When such a serviceman seeks to register a mobile home, camper trailer or truck camper he should be referred directly to the Registry of Motor Vehicles, as no action on the part of the tax collector is required. (See also Section VII D. 2 of this bulletin.)

3. Responsibility of Assessors in Taxation of Mobile Homes, Camper Trailers and Truck Campers .

While the excise tax collector is responsible for excising mobile homes, camper trailers and truck campers it is the responsibility of the assessors to assess all mobile homes (whether excised or not) and such camper trailers and truck campers as are not excised, which have a tax situs in the municipality, unless some reason exists for exempting them from property taxes. See Section VII of this bulletin for more detailed information.

#### 4. Responsibility of the Excise Tax Collector .

A. Excise Tax Receipt . An excise tax receipt for the current year is necessary to support registration.

The excise tax collector should accept the full excise tax:

1. On any mobile home, camper trailer or truck camper if the property tax has not been committed to the property tax collector.
2. On any mobile home, camper trailer or truck camper acquired or brought into the State after April 1.

After the property tax has been committed to the property tax collector, the excise tax collector shall allow credit for the property tax paid on the mobile home, camper trailer or truck camper in question, against the excise tax due.

#### 5. Responsibility of the Property Tax Collector .

A. Excise Tax Receipt . An excise tax receipt for the current year is necessary to support registration.

The property tax collector should:

1. Prior to commitment of the property tax, refer any person seeking to register a mobile home, camper trailer, or truck camper to the excise tax collector.
2. After commitment of the property tax, collect any property tax due on the mobile home, camper trailer or truck camper in question and refer the person seeking to register the mobile home, camper trailer or truck camper to the excise tax collector.

B. Credit for Excise Tax Paid . Since an excise tax previously paid in the same year on a mobile home is to be a credit toward a real estate tax later assessed against the mobile home, the property tax collector must verify the excise tax payment. The most practical method of doing this is by examination of the excise tax receipt itself. The collector should assure himself that the same mobile home, camper trailer or truck camper is covered by both taxes. He should then note on the property tax receipt the amount of credit allowed identifying the excise tax receipt by number. If the excise tax was paid in a different town, the property tax receipt should also indicate the name of the town in which the excise tax was paid. If the excise tax was greater than the real estate tax, credit

is given only to the amount of real estate tax; the excess is not to be refunded. Please note that such credit is to be given only when the mobile home, camper trailer or truck camper is later taxed as real estate. If an excise tax is paid on a mobile home which would otherwise be taxable as personal property, the mobile home, camper trailer or truck camper is exempt from the property tax.

C. Enforcement of Real Estate Tax . In view of the ease with which mobile homes can be moved, the collector should consider the advisability of using some method other than tax mortgage liens to secure delinquent real estate taxes. While the law provided safeguards in requiring payment of tax before registration can be obtained, as well as where the mobile home is to be moved on dealer or transporter plates (see Section VIII of this bulletin), situations may arise where the lien procedure will be found to unsatisfactory. In such cases the collector should consider the desirability of using the civil action of debt as a means of collection.

## 6. Excise Tax on Mobile Homes, Camper Trailers and Truck Campers .

A. When Applicable . The excise tax on mobile homes, camper trailers and truck campers is a tax "for the privilege of operating a . . . mobile home, camper trailer or truck camper upon the public ways" and thus applies only where the owner of the mobile home, camper trailer or truck camper intends to register it for use on the public ways during the year.

The excise tax must be paid before the property taxes are committed to the collector, except where the taxpayer acquired the mobile home, camper trailer or truck camper after April 1, or, being a nonresident, brought it into the State after April 1.

B. Where Payable . The excise tax on a mobile home, camper trailer or truck camper, if paid before April 1, or if acquired or brought into the State after April 1, is to be paid where located at time of payment; otherwise, if paid on or after April 1, the excise tax is to be paid where located on April 1.

### C. Tax Rate .

1. Mobile Homes . The excise tax on mobile homes is based on the Manufacturers Suggested Retail Price (M.S.R.P.), at the rate of 25 mils for the 1<sup>st</sup> or current year of model; 20 mils for the 2<sup>nd</sup> year; 16 mils for the 3<sup>rd</sup> year; and 12 mils thereafter. Twelve mils is the lowest rate at which mobile homes can in any event be excised. If a tax is less than \$15.00, based on a rate of 12 mils, then the tax will be \$15.00. Half rate applies after November 1.

2. Camper trailers and truck campers. For the privilege of operating a camper trailer or truck camper upon the public ways, each camper trailer or truck camper so operated shall be subject to an excise tax as follows: A sum equal to 24 mils on each dollar of the M.S.R.P. for the 1<sup>st</sup> or current year of model. 17 ½ mils for the 2<sup>nd</sup> year, 13 ½ mils for the 3<sup>rd</sup> year, 10 mils for the 4<sup>th</sup> year, 6 ½ mils for the 5<sup>th</sup> year and 4 mils for the 6<sup>th</sup>

and succeeding years. The minimum tax for a camper trailer other than a tent trailer or truck camper shall be \$15.00, for a tent trailer or truck camper \$5.00.

D. **Maker's List Price or MSRP** The Official Mobile Home Market Report, 469 E. Ohio Street, Chicago, Illinois, publishes suggested retail prices, together with current market data. The present cost of this publication is \$10.00 per copy issued three times each year and \$20.00 per year for annual subscription. The Property Tax Division of Maine Revenue Services on request will advise excise tax collectors as to proper price information for excise tax purposes if the vehicle is identified as to name, model, year, etc.

E. **Exemptions**. Generally speaking, no mobile home, camper trailer or truck camper owned by an individual, including veterans entitled to property tax exemption, is exempt from excise tax if it is to be registered in Maine for highway use. However, nonresident servicemen are exempt from excise taxes as noted in Section II D. of this bulletin.

7. **Property Tax**. A mobile home is taxable as real estate whether the mobile home is affixed to the land or not and whether or not an excise tax has previously been paid.

A camper trailer or truck camper is taxable as real estate only if affixed to the land - for example, if it rests on a foundation - which will rarely occur. Otherwise a camper trailer or truck camper is taxable as personal property unless the excise tax has properly been paid.

Where the excise tax has been paid prior to commitment of property taxes, and a mobile home, camper trailer or truck camper is later taxed as real estate, the excise tax paid (even if paid to another municipality, if legally excised there prior to April 1) is to be allowed by the collector as a credit toward the real estate tax.

A. **Where Taxable**. The property tax should be assessed in the place where the mobile home, camper trailer or truck camper was located on April 1.

B. **Description**. Where mobile homes, camper trailers or truck campers are assessed as real estate or as personal property they should be identified, if possible, by make, model and year (and serial number if available). This is so that, if later registration is desired, it can be shown that the property tax was paid on the mobile home, camper trailer or truck camper to be registered; and also that, if an excise tax has been paid the tax collector will be able to give the proper credit toward the real estate tax.

C. **Valuation**. When assessed for property taxes, mobile homes, camper trailers or truck campers should be valued as is other property, on the basis of "just" or fair market value. The property tax is not limited by what the excise tax might have been, although if there is an extreme variation it would be reason to reexamine the property valuation or the basis of computing the excise tax, to make sure no error has been made. The furniture and fixtures of a mobile home or camper trailer, even though standard equipment should not

be included in the valuation unless they are built in, since household furniture is exempt from property taxation.

D. Exemptions . Property tax exemptions may also apply to mobile homes, camper trailers or truck campers. Thus, mobile homes, camper trailers or truck campers owned by certain eligible veterans, blind persons, benevolent and charitable, or literary and scientific institutions, etc., are entitled to exemption from property taxes. The most important exemptions applying when mobile homes, camper trailers or truck campers are taxed as property are:

1. Mobile homes, camper trailers or truck campers owned by veterans entitled to property tax exemption are part of their "estates."
2. Mobile homes, camper trailers or truck campers owned by nonresident servicemen, not affixed to the land and not used for commercial purposes, cannot be taxed because of a federal law, the Soldiers' and Sailors' Civil Relief Act. By "nonresident serviceman" is meant a serviceman resident in some state other than Maine . (The Soldiers' and Sailors' Civil Relief Act, in exempting such property, applied only to personal property as defined by federal standards.) Federal courts have ruled that connecting mobile homes to the land by water, sewer, electrical, and telephone lines does not constitute "permanent affixation," with the result that such mobile homes owned by nonresident servicemen are exempt.
3. Camper trailers and truck campers taxable as personal property, but on which the excise tax has been paid by the same owner before property taxes are committed.
8. Removal of Mobile Homes Where Tax is Unpaid . One of the problems sometimes encountered in the taxation of mobile homes is evasion by removal of the mobile home without payment of tax. This is not as easy as some people believe, provided the municipal officials take prompt steps when such a move is suspected, or known.

It is not lawful to move a mobile home owned by an individual over the highways unless tax is paid. No mobile home shall be moved over highways of this State through use of dealer or transporter plates unless the operator of the vehicle hauling such mobile home has in his possession a written certificate from the tax collector of the municipality from which the mobile home is being moved, identifying the mobile home and stating that all property taxes applicable to the mobile home, including those taxes which have been committed for the current tax year, have been paid, or that the mobile home is exempt from such taxes. "The tax year shall be the period from April 1st through March 31st."

State police are cooperative in cases where illegal movement over the highways is attempted or suspected. In such cases the municipal officials should get in touch immediately with the nearest State police barracks, or with headquarters in Augusta .

The operation of this law is more fully covered in Property Tax Bulletin No. 9  
MOVEMENT OF MOBILE HOMES.

- Further Questions . If assessors or collectors have any questions regarding the taxation of mobile homes, camper trailers or truck campers, they should write or call the Property Tax Division, Maine Revenue Services, for further information.

NOTE: This bulletin is intended solely as advice to assist persons in determining, exercising or complying with their legal rights, duties or privileges. If further information is needed contact the Property Tax Division of Maine Revenue Services.