

Manufactured Buildings

Provincial Sales Tax Act

This bulletin provides information on how the provincial sales tax (PST) applies to sales and leases of manufactured buildings in BC effective April 1, 2013.

For information on how PST applies to purchases of manufactured buildings that straddle April 1, 2013, please see PST Notice 2012-010, *General Transitional Rules for the Re-implementation of the Provincial Sales Tax*.

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Definitions

A **manufactured building** is a manufactured mobile home, a manufactured modular home or a portable building.

Please note: Recreational vehicles, trailers, tents, motor homes, slide-on campers, chassis mounted campers or other similar vehicles do not qualify as manufactured mobile homes.

A **manufactured mobile home** is a mobile home that is either manufactured to Canadian Standards Association Standard Z240, or is a home that is similar in design and construction, if the home is in all essential features completely constructed before delivery.

A **manufactured modular home** is a modular home that is either manufactured to Canadian Standards Association Standard A277, or is constructed to a standard required by the National Building Code of Canada and qualifies for Canada Mortgage and Housing Corporation financing, if each module is in all essential features completely constructed before delivery.

A **portable building** is a building that:

- is in all essential features completely constructed before delivery, and
- is designed to be moved from location to location without being self-propelled.

A portable building includes a portable floating structure (e.g. a houseboat) if:

- the floating structure is not designed as a means of transportation or to be self-propelled, and
- the building is sold as a unit consisting of a building and a platform or barge, the primary purpose of which is the floatation of the building, and the building covers most of the surface of the platform or barge.

Portable buildings do not include:

- manufactured mobile homes,
- manufactured modular homes,
- buildings that are principally designed for use as a building ancillary to a residence (e.g. sheds),
- fabric covered buildings,
- fibreglass storage units,
- cargo containers,
- portable toilet building that is self-contained and designed for use by a single person,
- hoop houses,
- green houses, or
- switch houses.

Sales and Leases of New Manufactured Buildings

How PST applies to sales and leases of new manufactured buildings depends on whether there is a sale or lease of tangible personal property, or a sale or lease of an improvement to real property.

Tangible Personal Property

Tangible personal property is personal property that you can see, weigh, measure, feel or touch, or that is in any other way perceptible to the senses. Retail sales or leases of tangible personal property are taxable unless there is a specific exemption.

A new manufactured building that is sold or leased as a supply-only item, meaning that it is delivered to a site but not affixed to land so that the building ceases to be personal property at common law, is a sale of tangible personal property. You must charge your customer PST on sales and leases of manufactured buildings in these circumstances.

Depending on what type of manufactured building your customer is purchasing or leasing, you charge 7% PST on the following percentage of the purchase or lease price your customer pays:

- 45% - if it is a portable building,
- 50% - if it is a manufactured mobile home, or
- 55% - if it is a manufactured modular home.

Purchases for Resale or Lease

If you manufacture or purchase manufactured buildings for resale or for lease to other people, you may purchase, bring, send or receive delivery of the materials or the buildings in BC without

paying PST. If you are acquiring the materials or buildings from a PST collector, you must give them your PST registration number to claim the exemption.

If you are a wholesaler or a vendor who has not yet received a PST registration number, you must either provide the PST collector with an exemption certificate to receive your exemption, or pay PST and apply for a refund.

Improvements to Real Property

Real property is land and any items that are permanently attached to land (buildings and structures). It also includes tangible personal property that is installed or affixed to land such that it ceases to be personal property at common law. Once installed, the item becomes an improvement to real property.

If you have entered into a contract to supply and install a manufactured building such that the manufactured building will be an improvement to real property once it is installed, you are required to pay PST on the manufactured building (based on the applicable percentage as described above under Tangible Personal Property) unless a specific exemption applies. This includes manufactured buildings you purchase, bring, send or receive delivery of in BC. For information on the application of tax and specific exemptions related to improvements to real property, please see [Notice 2013-003](#), *Real Property Contractors*.

You also pay PST on 100% of your cost of other goods used in fulfilling the contract unless a specific exemption applies.

Sales to Other Retailers

You do not charge PST on manufactured buildings and other goods sold to retailers, wholesalers or persons purchasing the buildings for the purpose of reselling or leasing them to customers if they provide their PST registration number, or in the case of a wholesaler or a vendor who has not yet received a PST registration number, they provide an exemption certificate.

If a person provides their registration number to claim the exemption and you issue an invoice, receipt or bill, or have a written agreement with the person, you must document their PST number on the invoice, receipt or bill, or on the written agreement to show why you did not collect PST on the sale. If they provide an exemption certificate, you must keep a copy of that certificate in your records.

Sales or Leases to Out-of-Province Customers

If you sell or lease manufactured buildings and other goods to out-of-province customers and ship the goods to an out-of-province location, you do not charge PST. To show why you did not charge PST, your records must provide evidence that the goods were shipped out of the province.

Used Manufactured Buildings

A used manufactured building is a manufactured building that was previously sold at a retail sale and used as a building. A used manufactured building does not include a manufactured building purchased or leased for the purpose of leasing it to others unless it was previously sold at a retail sale. A retail sale does not include a sale to a person for the purpose of reselling the building.

You do not charge PST on the sale or lease of a used manufactured building if one of the following conditions are met:

- the building was designed and is obtained for residential use,
- the previous retail sale occurred before July 1, 2010, or
- PST or the BC portion of the HST was paid on the manufactured building by the person who purchased it at the previous retail sale, and that person has not obtained and is not entitled to obtain a refund, credit or rebate for that tax.

If you are acquiring used manufactured buildings to sell, you must determine if the building meets the criteria above, and keep evidence that the criteria was met, before you can sell that building exempt from PST.

Furnishings and Appliances

Draperies, free-standing furniture and appliances sold or leased with a manufactured building are not part of the building. You charge your customers 7% PST on the total purchase price or lease price attributable to these items. You may purchase these items for resale or re-lease without paying PST by giving your PST registration number to the supplier.

Services to Manufactured Buildings

You do not charge PST on services provided to new or used manufactured buildings. You also do not charge PST on services provided to the following appliances and other goods if designed for household use: clothes washers and dryers, dishwashers, refrigerators, freezers, ovens, stoves, curtains and draperies, vacuums, rug-cleaning and carpet-cleaning machines, rugs and carpets, and sewing machines.

For more information on related services, please see [Bulletin PST 301](#), *Related Services*.

Manufactured Buildings Brought, Sent or Delivered in BC

If you bring, send or receive delivery of a new manufactured building in BC for use other than solely for resale or lease, you are required to pay PST on the purchase or lease price of the manufactured building unless a specific exemption applies.

Depending on what type of manufactured building you are bringing, sending or receiving delivery of, you must pay 7% PST on the following percentage of the purchase or lease price:

- 45% - if it is a portable building,
- 50% - if it is a manufactured mobile home, or
- 55% - if it is a manufactured modular home.

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- the building was designed and is obtained for residential use,
- the previous retail sale occurred before July 1, 2010, or
- PST or the BC portion of the HST was paid on the manufactured building by the person who purchased it at the previous retail sale, and that person has not obtained and is not entitled to obtain a refund, credit or rebate for that tax.

If you have acquired a used manufactured building, you must determine if the building meets the criteria above, and keep evidence that the criteria was met, to show that you are eligible for the exemption.

Furnishings and Appliances

Draperies, free-standing furniture and appliances sold or leased with a manufactured building are not part of the building. Therefore, you must pay 7% PST on the total purchase price or lease price attributable to these items brought, sent or received in BC with the building.



Need more info?

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