

The seal of the Texas Comptroller of Public Accounts is visible in the background. It features a central five-pointed star surrounded by a wreath. The words "THE COMPTROLLER OF PUBLIC ACCOUNTS" and "STATE OF TEXAS" are inscribed around the perimeter of the seal.

**Glenn Hegar**

Texas Comptroller of Public Accounts

# Retailer's Manufactured Housing Special Inventory

Instructions for Filing Forms and  
Paying Property Taxes

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By publishing this manual, the Texas Comptroller of Public Accounts is providing general information. The information is provided as a public service and is intended to be used solely for informational purposes. This publication does not address all aspects of law applicable to retail manufactured housing special inventory, and the Comptroller's office is not offering legal advice. The information contained in this manual neither constitutes nor serves as a substitute for legal advice. Questions regarding the meaning or interpretation of statutes, legal requirements and other matters should, as appropriate or necessary, be directed to an attorney or other appropriate counsel.

Retail manufactured housing inventory laws are found primarily in Tax Code Sections 23.123, 23.127 and 23.128. Additional relevant laws are found in Occupations Code Chapter 1201.

# Table of Contents

<b>Retailer’s Manufactured Housing Special Inventory</b> . . . . .	1
RMHI Appraisal . . . . .	1
Documentation Inspection . . . . .	1
Confidential Information . . . . .	2
<b>Filing Forms and Paying Property Tax</b> . . . . .	3
Step 1 – Retailer Files RMHI Declaration . . . . .	3
Penalties . . . . .	3
Step 2 – Retailer Files RMHI Tax Statement . . . . .	4
Step 3 – Retailer Prepays Taxes . . . . .	4
Unit property tax factor . . . . .	4
Calculate unit property tax . . . . .	4
Assign unit property tax . . . . .	5
Step 4 – Tax Collector Pays Inventory Taxes from Retailer’s Escrow Account . . . . .	5
Penalties . . . . .	5
Additional Information . . . . .	5
<b>Definitions</b> . . . . .	6



# Retailer's Manufactured Housing Special Inventory

For property tax purposes, retailer's manufactured housing inventory (RMHI)—all units of manufactured housing that a retailer holds for sale at retail—is appraised and taxed according to Tax Code Sections 23.127 and 23.128.

A retailer is engaged in the business of buying for resale, selling or exchanging manufactured homes or offering manufactured homes for sale or exchange to consumers, including a person who maintains a location for the display of manufactured homes, and sells or exchanges at least two manufactured homes to consumers in a 12-month period. Generally, individuals must hold a retailer's license issued by the Texas Department of Housing and Community Affairs to sell two or more manufactured homes to consumers in this state in a 12-month period.<sup>1</sup>

## RMHI Appraisal

For property tax purposes, RMHI is appraised based on total sales in the prior year. The RMHI market value on Jan. 1 is the total annual sales, less sales to retailers and subsequent sales, in the prior year, divided by 12.<sup>2</sup>

If an owner was not a retailer on Jan. 1 of the preceding tax year, the chief appraiser estimates the market value of the inventory. These estimates are created using sales data, if any, generated from RMHI sales in the preceding tax year.<sup>3</sup>

A chief appraiser is required to appraise RMHI as special inventory.<sup>4</sup> An exception is the RMHI of a retailer whose sales are made predominately to other retailers. In this case, the chief appraiser shall appraise the retailer's inventory as

provided by Tax Code Section 23.12.<sup>5</sup> A retailer's personal property that is not RMHI is appraised as provided by other sections of the Tax Code.<sup>6</sup>

A retailer is presumed to be an RMHI owner on Jan. 1 if in the prior year the retailer sold a unit of manufactured housing to a person other than a retailer. This presumption is not rebutted by the fact that a retailer has no units of manufactured housing physically on hand for sale from retailer's inventory on Jan. 1.<sup>7</sup>

When a person acquires a business or assets of a retailer that person may, by contract, agree to pay that retailer's current year RMHI taxes. Both parties must jointly notify the chief appraiser and the collector of the agreement, including the terms of the agreement. This provision does not relieve the selling retailer of the tax liability.<sup>8</sup>

## Documentation Inspection

A chief appraiser may examine a retailer's books and records. A request must:

- be made in writing;
- be delivered personally to the custodian of the records at the location at which the retailer conducts business;
- provide a period of not less than 15 days for the person to respond to the request; and
- state that the person to whom it is addressed has the right to seek judicial relief from compliance with the request.<sup>9</sup>

<sup>1</sup> Tex. Tax Code §23.127(a)(10) and Tex. Occ. Code §§1201.003(24) and 1201.101(b)

<sup>2</sup> Tex. Tax Code §23.127(b)

<sup>3</sup> Tex. Tax Code §23.127(c)

<sup>4</sup> Tex. Tax Code §23.127(m)

<sup>5</sup> Tex. Tax Code §23.127(d)

<sup>6</sup> Tex. Tax Code §23.127(d)

<sup>7</sup> Tex. Tax Code §23.127(e)

<sup>8</sup> Tex. Tax Code §23.128(k)

<sup>9</sup> Tex. Tax Code §23.127(g)

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The chief appraiser may examine:

- the document issued by the Texas Department of Housing and Community Affairs showing the retailer's license number;
- documentation appropriate to allow the chief appraiser to ascertain the applicability of Tax Code Sections 23.127 and 23.128 to the retailer; and
- sales records to substantiate information set forth in the retailer's declaration filed by the person.<sup>10</sup>

A retailer who violates these inspection provisions commits a misdemeanor offense not to exceed a \$500 fine for each day the retailer fails to comply.<sup>11</sup> A chief appraiser or collector may also examine certain documents held by the retailer relating to the monthly tax statement and prepayments.<sup>12</sup>

## Confidential Information

Confidentiality provisions under Tax Code Section 23.123 apply to a filed RMHI declaration or tax statement.<sup>13</sup> These documents are confidential and not open to public inspection. A declaration or statement and the information contained in either may not be disclosed to anyone except an appraisal office employee who appraises the property or to an assessor-collector's employee involved in the maintenance of the owner's escrow account.<sup>14</sup> This confidential information may be disclosed in the following ways:

- in a judicial or administrative proceeding pursuant to a lawful subpoena;
- to the person who filed the declaration or statement or to that person's representative authorized by the person in writing to receive the information;
- to the Comptroller or a Comptroller employee authorized to receive the information;
- to a collector or chief appraiser;
- to a district attorney, criminal district attorney or county attorney involved in an imposed penalty enforcement;
- for statistical purposes if in a form that does not identify specific property or a specific property owner;
- if and to the extent that the information is required for inclusion in a public document or record that the appraisal or collection office is required by law to prepare or maintain; or
- to the Texas Department of Motor Vehicles for use by that department in auditing compliance of its licensees with applicable law provisions.<sup>15</sup>

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<sup>10</sup> Tex. Tax Code §23.127(g)

<sup>11</sup> Tex. Tax Code §23.127(j)

<sup>12</sup> Tex. Tax Code §23.128(f)

<sup>13</sup> Tex. Tax Code §§ 23.127(l) and 23.128(p)

<sup>14</sup> Tex. Tax Code §23.123(b)

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<sup>15</sup> Tex. Tax Code §23.123(c)

# Filing Forms and Paying Property Tax

Generally, retailers must file with the county appraisal district Comptroller Form 50-267, *Retail Manufactured Housing Inventory Declaration*, with the market value for the current year's RMHI (based on prior year sales).<sup>16</sup>

Retailers must also file monthly with the assessor-collector office Comptroller Form 50-268, *Retail Manufactured Housing Inventory Tax Statement*, listing the manufactured housing units sold and prepay their property taxes for each manufactured home.<sup>17</sup>

## Step 1 – Retailer Files RMHI Declaration

A retailer must file Comptroller Form 50-267, *Retail Manufactured Housing Inventory Declaration*, in the following manner:

- file a declaration each year not later than Feb. 1;
- file the declaration with the county appraisal district in which the RMHI is located;
- send a copy of the declaration to the assessor-collector office; and
- if not in business on Jan. 1, file a declaration within 30 days of opening business.<sup>18</sup>

If a person acquires the business or assets of a retailer and that person agreed by contract to pay that owner's current year RMHI taxes, then that person is not required to file a declaration until the year following the acquisition. This provision does not relieve the selling retailer of the tax liability.<sup>19</sup>

The retailer's declaration must include the following:

- name and business address of each location at which the retailer conducts business;
- retailer's license number issued by the Texas Department of Housing and Community Affairs;
- statement that the retailer is the RMHI owner; and
- market value of the inventory for the current tax year.<sup>20</sup>

If a retailer fails to file a declaration or declares the sale of fewer than two units of manufactured housing in the prior year, the chief appraiser must report that fact to the Texas Department of Housing and Community Affairs.<sup>21</sup>

### Penalties

A retailer who does not file the declaration by Feb. 1 of each year commits a misdemeanor offense punishable by a fine up to \$500 per day until filed.<sup>22</sup>

In addition to any other penalty provided by law, a retailer becomes liable for a penalty of \$1,000 for each month or portion of month that the declaration is not filed. A tax lien attaches to the retailer's business personal property to secure payment of the penalty.<sup>23</sup>

If there is a disaster that made it effectively impossible for a retailer to comply with filing requirements or an event beyond the control of the retailer that destroys property or records and the declaration is not timely filed, then the retailer may file a written application for the chief appraiser to waive the \$1,000 penalty within 30 days after the date the declaration must be filed. The retailer must otherwise be in compliance with Tax Code Chapter 23 for the chief appraiser to waive the penalty.<sup>24</sup>

<sup>16</sup> Tex. Tax Code §23.127(f)

<sup>17</sup> Tex. Tax Code §23.128(b) and (f)

<sup>18</sup> Tex. Tax Code §23.127(f)

<sup>19</sup> Tex. Tax Code §23.128(k)

<sup>20</sup> Tex. Tax Code §23.127(f)

<sup>21</sup> Tex. Tax Code §23.127(h)

<sup>22</sup> Tex. Tax Code §23.127(i)

<sup>23</sup> Tex. Tax Code §23.127(k)

<sup>24</sup> Tex. Tax Code §23.129

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## Step 2 – Retailer Files RMHI Tax Statement

Each month, retailers must file the original completed monthly tax statement and monthly tax payment with the assessor-collector and a copy of the original with the appraisal district's chief appraiser.<sup>25</sup> A retailer must file an inventory tax statement for the business location of the inventory.<sup>26</sup>

All retailers must file a monthly statement regardless whether or not the retailer owes RMHI tax for the current year. A retailer who owes no RMHI tax for the current year because the retailer was not in business on Jan. 1 may not assign a unit property tax to a unit of manufactured housing sold by the retailer nor remit money with the statement unless pursuant to the terms of a contract.<sup>27</sup>

Retailers must file statements meeting the following schedule and criteria:

- file 12 statements per year;<sup>28</sup>
- file by the 10th of each month following the reporting month;<sup>29</sup>
- file with the assessor-collector office, including the prepayment of taxes;<sup>30</sup>
- send copy of the form to the county appraisal district;<sup>31</sup>
- if you do not sell a unit of manufactured housing during a month, you must file a tax statement indicating no sales;<sup>32</sup>
- if not in business on Jan. 1, file each month but do not assign unit property tax and do not remit a prepayment of taxes;<sup>33</sup> and
- retain documentation of each unit of manufactured housing sold.<sup>34</sup>

A retailer must use Comptroller Form 50-268, *Retail Manufactured Housing Inventory Tax Statement*, and include:

1. description of each unit of manufactured housing sold, including any unique identification or serial number affixed to each unit by the manufacturer;
2. sales price of the unit of manufactured housing;
3. unit property tax of the unit of manufactured housing, if any; and
4. the reason no unit property tax is assigned, if applicable.<sup>35</sup>

## Step 3 – Retailer Prepays Taxes

Together with the monthly statement and by the 10th day of each month, a retailer is required to deposit with the assessor-collector the total unit property tax assigned to all units of manufactured housing sold from the inventory in the prior month to which a unit property tax was assigned. The money is deposited by the collector in the retailer's escrow account for prepayment of property taxes levied against the retailer's inventory.<sup>36</sup> A retailer may not withdraw funds from the escrow account.<sup>37</sup>

### **Unit property tax factor**

Call the assessor-collector or appraisal district for the unit property tax factor. The unit property tax factor is calculated by dividing the prior year's aggregate tax rate by 12. If the aggregate tax rate is expressed in dollars per \$100 of valuation, divide by \$100 and then divide by 12. It represents one-twelfth of the preceding year's aggregate tax rate at the location where inventory is located on Jan. 1 of the current year.<sup>38</sup>

### **Calculate unit property tax**

The unit property tax of a unit of manufactured housing is determined by multiplying the sales price by the unit property tax factor.<sup>39</sup>

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<sup>25</sup> Tex. Tax Code §23.128(f)

<sup>26</sup> Tex. Tax Code §§23.127 and 23.128

<sup>27</sup> Tex. Tax Code §23.128(g)

<sup>28</sup> Tex. Tax Code §23.128(b), (e), and (f)

<sup>29</sup> Tex. Tax Code §23.128(b) and (f)

<sup>30</sup> Tex. Tax Code §23.128(b) and (f)

<sup>31</sup> Tex. Tax Code §23.128(f)

<sup>32</sup> Tex. Tax Code §23.128(f)

<sup>33</sup> Tex. Tax Code §23.128(g)

<sup>34</sup> Tex. Tax Code §23.128(f)

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<sup>35</sup> Tex. Tax Code §23.128(e)

<sup>36</sup> Tex. Tax Code §23.128(b)

<sup>37</sup> Tex. Tax Code §23.128(d)

<sup>38</sup> Tex. Tax Code §23.128(a)(5)

<sup>39</sup> Tex. Tax Code §23.128(b)



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### **Assign unit property tax**

Except for a unit of manufactured housing sold to a retailer or that is the subject of a subsequent sale, a retailer must assign a unit property tax to each unit of manufactured housing sold from a retailer's inventory.<sup>40</sup>

## **Step 4 – Tax Collector Pays Inventory Taxes from Retailer's Escrow Account**

The current year's tax bills received in October are based on the market value of the inventory and the current year's tax rates. The assessor-collector applies the money in the owner's escrow account to the imposed taxes of each taxing unit in proportion to the amount of levied taxes. The owner receives a tax receipt for the payment.<sup>41</sup> If the amount in the escrow account is not sufficient to pay the taxes in full, the assessor-collector sends an additional tax bill for any remaining amount due.<sup>42</sup> The owner must pay the remaining amount due before the delinquency date (usually Feb. 1) to avoid penalties and interest.<sup>43</sup>

Not later than Feb. 15, the collector must distribute to the taxing units all funds collected and held in escrow.<sup>44</sup>

### **Penalties**

A retailer who does not file the tax statement by the 10th day of the following month commits a misdemeanor offense punishable by a fine up to \$100 per day until filed.<sup>45</sup>

In addition to any other penalty provided by law, a retailer becomes liable for a penalty of \$500 for each month or portion of month that it is not filed. A tax lien attaches to the retailer's business personal property to secure payment of this penalty.<sup>46</sup>

If there is a disaster that made it effectively impossible for a retailer to comply with filing requirements or an event beyond the control of the retailer that destroys property or records and the monthly inventory tax statement is not timely filed, then the retailer may file a written application for the collector to waive the \$500 penalty within 30 days after the date the statement must be filed. The retailer must otherwise be in compliance with Tax Code Chapter 23 for the collector to waive the penalty.<sup>47</sup>

A retailer who fails to remit the taxes due pays a 5 percent late penalty, with another 5 percent penalty due if not paid within 10 days.<sup>48</sup>

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## **Additional Information**

- For specific questions on the declaration form, call the county appraisal district.
- For specific questions on the monthly tax statement form, call the assessor-collector office.
- For specific questions regarding the requirements under Occupations Code Chapter 1201, call the Texas Department of Housing and Community Affairs.
- For general questions regarding the declaration form or the tax statement, contact the Comptroller's Property Tax Assistance Division at 1-800-252-9121 (press 2) or [ptad.cpa@cpa.texas.gov](mailto:ptad.cpa@cpa.texas.gov).

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<sup>40</sup> Tex. Tax Code §23.128(b)

<sup>41</sup> Tex. Tax Code §23.128(h)

<sup>42</sup> Tex. Tax Code §23.128(i)

<sup>43</sup> Tex. Tax Code §23.128(j)

<sup>44</sup> Tex. Tax Code §23.128(j)

<sup>45</sup> Tex. Tax Code §23.128(l)

<sup>46</sup> Tex. Tax Code §23.128(m)

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<sup>47</sup> Tex. Tax Code §23.129

<sup>48</sup> Tex. Tax Code §23.128(n)

# Definitions

The following RMHI terms are defined by statute.

**Aggregate tax rate** – the combined tax rates of all appropriate taxing units legally authorized to impose property taxes on a RMHI.<sup>49</sup>

**Appropriate taxing unit** – a taxing unit, including the county, authorized by law to impose property taxes on a RMHI.<sup>50</sup>

**Chief appraiser** – the chief appraiser for the appraisal district in which an RMHI is located.<sup>51</sup>

**Collector** – the county tax assessor-collector for the county in which a retailer’s RMHI is located.<sup>52</sup>

**Declaration** – RMHI declaration form adopted by the Comptroller’s office in relation to units of manufactured housing considered to be RMHI.<sup>53</sup>

**Department** – the Texas Department of Housing and Community Affairs.<sup>54</sup>

**HUD-code manufactured home** –

- a structure:
  - constructed on or after June 15, 1976, according to the rules of the United States Department of Housing and Urban Development;
  - built on a permanent chassis;
  - designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities;
  - transportable in one or more sections; and
  - in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet;

- includes the plumbing, heating, air conditioning, and electrical systems of the home; and
- does not include a recreational vehicle as defined by 24 C.F.R. Section 3282.8(g).<sup>55</sup>

**Manufactured housing** – a HUD-code manufactured home or a mobile home as it would customarily be held by a retailer in the normal course of business in RMHI.<sup>56</sup>

**Mobile home** –

- a structure:
  - constructed before June 15, 1976;
  - built on a permanent chassis;
  - designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities;
  - transportable in one or more sections; and
  - in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet; and
- includes the plumbing, heating, air conditioning, and electrical systems of the home.<sup>57</sup>

**Owner** – a retailer who owes current year inventory taxes imposed on a retailer’s RMHI.<sup>58</sup>

**Retail manufactured housing inventory (RMHI)** – all units of manufactured housing that a retailer holds for sale at retail that are new and used manufactured homes that a retailer has designated as the retailer’s inventory for sale pursuant to the process implemented by the department [Texas Department of Housing and Community Affairs]; and are not used as residential dwellings when so designated.<sup>59</sup>

<sup>49</sup> Tex. Tax Code §23.128(a)(1)

<sup>50</sup> Tex. Tax Code §23.128(a)(2)

<sup>51</sup> Tex. Tax Code §23.127(a)(1)

<sup>52</sup> Tex. Tax Code §23.127(a)(2)

<sup>53</sup> Tex. Tax Code §23.127(a)(3)

<sup>54</sup> Tex. Tax Code §23.127(a)(4)

<sup>55</sup> Tex. Tax Code §23.127(a)(5) and Tex. Occ. Code §1201.003(12)

<sup>56</sup> Tex. Tax Code §23.127(a)(6)

<sup>57</sup> Tex. Tax Code §23.127(a)(7) and Tex. Occ. Code §1201.003(20)

<sup>58</sup> Tex. Tax Code §23.127(a)(8)

<sup>59</sup> Tex. Tax Code §23.127(a)(9) and Tex. Occ. Code §1201.201(5)

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**Retailer** – as a person who is engaged in the business of buying for resale, selling, or exchanging manufactured homes or offering manufactured homes for sale or exchange to consumers, including a person who maintains a location for the display of manufactured homes; and sells or exchanges at least two manufactured homes to consumers in a 12-month period.<sup>60</sup>

**Retailer-financed sale** – the sale at retail of a unit of manufactured housing in which the retailer finances the purchase of the unit of manufactured housing, is the sole lender in the transaction, and retains exclusively the right to enforce the terms of the agreement that evidences the sale.<sup>61</sup>

**Sales price** – the total amount of money paid or to be paid to a retailer for the purchase of a unit of manufactured housing, excluding any amount paid for the installation of the unit.<sup>62</sup>

**Statement** – the RMHI tax statement filed on the Comptroller’s adopted form.<sup>63</sup>

**Subsequent sale** – a retailer-financed sale of a unit of manufactured housing that, at the time of the sale, has been the subject of a retailer-financed sale from the same RMHI in the same calendar year.<sup>64</sup>

**Total annual sales** – the total of the sales price for each sale from an RMHI in a 12-month period.<sup>65</sup>

**Unit property tax factor** – a number equal to one-twelfth of the preceding year’s aggregate ad valorem tax rate at the location at which an RMHI is located on Jan. 1 of the current year.<sup>66</sup>

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<sup>60</sup> Tex. Tax Code §23.127(a)(10) and Tex. Occ. Code §1201.003(24)

<sup>61</sup> Tex. Tax Code §23.127(a)(11)

<sup>62</sup> Tex. Tax Code §23.127(a)(12)

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<sup>63</sup> Tex. Tax Code §23.128(a)(4)

<sup>64</sup> Tex. Tax Code §23.127(a)(13)

<sup>65</sup> Tex. Tax Code §23.127(a)(14)

<sup>66</sup> Tex. Tax Code §23.128(a)(5)

For more information, visit our website:  
**[comptroller.texas.gov/taxes/property-tax](http://comptroller.texas.gov/taxes/property-tax)**

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