

# South Carolina's Manufactured Home Energy Efficiency Law

South Carolina's sales tax laws are designed to encourage consumers to buy energy efficient manufactured homes. Consumers often win three ways: less sales tax, lower energy usage and, in many cases, special rates from utilities.

**Our energy efficiency tax formula is a valuable tax incentive. It is well worth the paperwork.**

Enclosed are the relevant sections of the SC Code of Laws: The basic law has been on the books since 1992. Improvements making it easier to follow the law were passed in 2001.

## MANUFACTURERS

Section 40-29-360 (A) requires that manufacturers place a permanent energy efficiency label on the electrical panel of homes that qualify. Also, a notice that the home is efficient must be placed on the window nearest the front door. The wording of the notice is positive from a marketing standpoint.

Copies of the sticker and notice are attached.

Click to order [Energy Efficiency Labels from the SC Energy Office](#)

Click for [Energy Efficient Label Disposition Form](#)

Section 12-36-2110 (B) sets out the technical requirements the house must meet to qualify.

## RETAILERS

Section 12-36-2110 (B) requires that retailers keep records verifying whether the home meets the requirements; these must be retained for three years. A sample form is attached.

NOTE: In recent sales tax audits, the SC Department of Revenue has demanded proof that homes met the requirements for the \$300 sales tax incentive. Not meeting these requirements could mean that back taxes will have to be paid.

**The Manufactured Housing Institute of South Carolina  
PO Box 1781; Columbia, SC 29202  
(803) 771-9046 Fax (803) 771.7023 E-mail: mhisc@mhisc.com**

## State of South Carolina Manufactured Home Verification Form

This Manufactured Home Verification Form is in accordance with 12-36-2110 (B) of the South Carolina Code of Laws 1976. Completion of this form will verify whether or not the home has met the following prescribed minimum energy efficiency ratings: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of R-11 for walls, R-19 for floors, and R-30 for ceilings. However, allowances in the energy efficiency levels for walls, floors, and ceilings are permitted, so long as the heat loss does not exceed that calculated using the R-levels stated above. These heat loss calculations are based on the current edition of the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Guide at the time of the home's manufacture.

Each dealer must maintain records of this Verification Form for a period of three (3) years and make it available for inspection upon request from the Department of Consumer Affairs or the South Carolina Energy Office.

*I certify that this manufactured home, serial # \_\_\_\_\_, meets or exceeds the energy efficiency standards as set forth in 12-36-2110 (B) of the South Carolina Code of Laws 1976.*

*Dealer's Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

*Name of Dealership* \_\_\_\_\_

*Address* \_\_\_\_\_

*Retail License Number* \_\_\_\_\_

*Energy Efficiency Label Number* \_\_\_\_\_



Certificate  
Number \_\_\_\_\_



Manufacturer's  
Name \_\_\_\_\_

Serial Number \_\_\_\_\_

Dealership Location \_\_\_\_\_

This is to certify that this manufactured home meets or exceeds the energy efficiency levels provided for in the amended section 12-36-2110 (B) of the South Carolina Code of Laws, 1976, as amended.

\*Storm or double pane glass windows

\*Insulated or storm doors

\*A minimum insulation thermal resistance rating of

R-11 for walls

R-19 for floors

R-30 for ceilings

OR allowances in the energy efficiency levels for walls, floors, and ceilings, so long as the heat loss does not exceed that calculated using the R levels stated above. These heat loss calculations are based on the current edition of the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) Guide at the time of the home's manufacture.

Inspected and  
certified by \_\_\_\_\_

(Name of manufacturer)

Date \_\_\_\_\_

WARNING - DO NOT REMOVE!

# NOTICE

An energy-efficient home will reduce the overall cost of home ownership.

South Carolina law encourages citizens to purchase energy-efficient manufacture homes by providing a tax incentive.

This home qualifies for an energy-efficiency sales tax incentive.

Buyers of energy-efficient manufactured homes can save money not only on taxes but should also have lower monthly utility bills than with less efficient homes.

## Sales Tax Worksheet for Energy Efficient Homes\*

### Compute the tax on the sale of the home

1. Total sale amount (home, furniture, appliances, etc.) .....\$ \_\_\_\_\_
2. Enter sale price for each of the following:
  - a) Contents of home (furniture, appliances, etc.) .....\$ \_\_\_\_\_
  - b) HVAC, etc. ....\$ \_\_\_\_\_
  - c) Foundations, set-up, skirting, etc. ....\$ \_\_\_\_\_
3. Add 2.a) through 2.c) and enter total here .....\$ \_\_\_\_\_
4. Subtract line 3 from line 1 and enter result here .....\$ \_\_\_\_\_
5. Enter trade-in allowance for the home here .....\$ \_\_\_\_\_
6. Subtract line 5 from line 4 and enter here .....\$ \_\_\_\_\_
7. Multiply line 6 by .35 (35%) and enter result here .....\$ \_\_\_\_\_
8. Subtract line 7 from line 6 and enter result here .....\$ \_\_\_\_\_
9. If line 8 is less than or equal to \$6,000, multiply line 8 by .05 (5%) and enter result here .....\$ \_\_\_\_\_  
(If line 8 is more than \$6,000, skip to line 10)
10. If line 8 is more than \$6,000, enter \$300 here .....\$ \_\_\_\_\_  
(If line 8 is less than or equal to \$6,000, go back to line 9)

### Compute the tax on the sale of the contents of the home

11. Enter amount from line 2.a) here .....\$ \_\_\_\_\_
12. Enter trade-in allowance here .....\$ \_\_\_\_\_
13. Subtract line 12 from line 11 and enter result here .....\$ \_\_\_\_\_
14. If delivery is made in a local option tax county, multiply amount on line 13 by .06 (6%) and enter result here .....\$ \_\_\_\_\_  
(If delivery is made in a county that is **not a local option tax county**, multiply by .05 (5%) and enter result) .....\$ \_\_\_\_\_
15. Add line 9 or 10 to line 14 and enter result here .....\$ \_\_\_\_\_  
(The amount on line 15 is the total amount of tax due on this sale)

\*This form is identical to South Carolina Department of Revenue Sales Tax Worksheet #1, Side A, Energy Efficient Homes.

Section 40-29-360.(A) The State Energy Office must produce energy efficiency labels and notices and provide these labels and notices to manufactured housing manufacturers upon request. The notices must state: 'Notice. An energy efficient home will reduce the overall cost of home ownership. South Carolina law encourages citizens to purchase energy efficient manufactured homes by providing a tax incentive for the purchase of such a home. This home qualifies for an energy efficiency sales tax incentive. Buyers of energy efficient manufactured homes can save money not only on taxes, but should also have lower monthly utility bills than less efficient homes'.

(B) Energy efficiency labels must be permanently affixed to the electrical panel and the notices must be affixed to the inside of the window closest to the front door. Energy efficiency labels and notices must be affixed by the manufacturer only on new homes and only at the place and time of production or manufacture. By affixing an energy efficiency label and notice, the manufacturer certifies that the manufactured home meets or exceeds the energy requirements provided for in Section 12-36-2110(B). Only the consumer may remove the notice.

**SECTION 12-36-2110.** Maximum tax on sale or lease of certain items; calculation of tax on manufactured homes; maximum tax on purchase of certain property by religious organizations; maximum tax on sale or use of machinery for research and development.

(A) The maximum tax imposed by this chapter is three hundred dollars for each sale made after June 30, 1984, or lease executed after August 31, 1985, of each:

(1) aircraft, including unassembled aircraft which is to be assembled by the purchaser, but not items to be added to the unassembled aircraft;

(2) motor vehicle;

(3) motorcycle;

(4) boat;

(5) trailer or semitrailer, pulled by a truck tractor, as defined in Section 56-3-20, and horse trailers, but not including house trailers or campers as defined in Section 56-3-710 or a fire safety education trailer;

(6) recreational vehicle, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel; or

(7) self-propelled light construction equipment with compatible attachments limited to a maximum of one hundred sixty net engine horsepower.

In the case of a lease, the total tax rate required by law applies on each payment until the total tax paid equals three hundred dollars. Nothing in this section prohibits a taxpayer from paying the total tax due at the time of execution of the lease, or with any payment under the lease. To qualify for the tax limitation provided by this section, a lease must be in writing and specifically state the term of, and remain in force for, a period in excess of ninety continuous days.

(B) For the sale of a manufactured home, as defined in Section 40-29-20, the tax is calculated as follows:

(1) subtract trade-in allowance from the sales price;

(2) multiply the result from item (1) by sixty-five percent;

(3) if the result from item (2) is no greater than six thousand dollars, multiply by five percent for the amount of tax due;

(4) if the result from item (2) is greater than six thousand dollars, the tax due is three hundred dollars plus two percent of the amount greater than six thousand dollars.

However, a manufactured home is exempt from any tax in excess of three hundred dollars that may be due as a result of the calculation in item (4) if it meets these energy efficiency levels: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R-11 for walls, R-19 for floors, and R-30 for ceilings. However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above three hundred dollars applies if the total heat loss does not exceed that calculated using the levels of R-11 for walls, R-19 for floors, and R-30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for heat loss calculation. Notwithstanding the provisions of this subsection, from July 1, 2009, to July 1, 2019, a manufactured home is exempt from any tax that may be due as a result of the calculation in this subsection if it has been designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy saving efficiency requirements or has been designated as meeting or exceeding such requirements under each agency's ENERGY STAR program. The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold that meets the energy efficiency levels provided for in this subsection. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.

The maximum tax authorized by this subsection does not apply to a single-family modular home regulated pursuant to Chapter 43, Title 23.

(C) For the sale of each musical instrument, or each piece of office equipment, purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3), the maximum tax imposed by this

chapter is three hundred dollars. The musical instrument or office equipment must be located on church property and used exclusively for the organizations exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the department. The affidavit must be retained by the seller.

(D) Repealed.

(E) Equipment provided, supplied, or installed on a firefighting vehicle is included with the vehicle for purposes of calculating the maximum tax due under this section.

HISTORY: 1990 Act No. 612, Part II, Section 74A; 1991 Act No. 110, Section 1; 1992 Act No. 449, Part III, Section 3; 1994 Act No. 331, Section 2; 1994 Act No. 497, Part II, Section 92A; 1996 Act No. 431, Section 8; 1997 Act No. 149, Section 9B; 1997 Act No. 151, Section 1B; 1998 Act No. 419, Part II, Section 31A; 2000 Act No. 283, Section 5(G)(1), eff for taxable years after June 30, 2001; 2005 Act No. 12, Section 3, eff January 13, 2005; 2005 Act No. 161, Section 29, eff June 9, 2005; 2008 Act No. 354, Section 1, eff July 1, 2009.