



STATE BOARD OF EQUALIZATION

(916) 445-6439

February 3, 1981

Captain Christopher E. Kernan
Assistant Staff Judge Advocate
Environmental

AFFTC/JA, Stop 16
Edwards AFB, CA 93523

Re: Mobile Homes at Edwards Air Force Base

Dear Captain Kernan:

This is with regard to the mobilehome problems discussed in our conference of January 29, 1981.

The problem relates to mobilehomes owned by personnel on duty at Edwards Air Force Base, California. We are advised that there are three categories of mobilehome ownership: nonresident military personnel, resident personnel, and civilian employees of the Air Force.

In past years, the State Department of Motor Vehicles, (DMW) has required registration only upon transfer of ownership of the mobilehomes. However, voluntary, registration of all mobilehomes has recently been completed by arrangement with the Lancaster office of DMW.

The questions posed are three-fold, which are framed as follows:

1) Will the registration by nonresident servicemen personnel require payment of the use tax?

Answer: "No." The nonresident military personnel are specifically exempted from local personal property taxes under the Sailors and Soldiers Relief Act. Accordingly, since there is no element of tax avoidance involved in registering the property, the registration will, in this instance, be considered to have been undertaken solely for the purpose of recording and transferring title.

2) Will payment of use tax be required of the resident military personnel or civil service employees who recently registered a mobilehome?

Answer: "Yes." The Sailors and Soldiers Relief Act does not provide an exemption from personal property tax for persons in these classes. Thus the effect of registration is to obtain an exemption from local property taxation. Accordingly, use tax will be applicable to sales of: mobilehomes by personnel in these two categories.

3) Is it possible for resident military personnel and civilians who have registered mobilehomes to cancel their registration and thereby obtain the benefit of the mobilehome exemption for sales of mobilehomes subject to local property taxation?

Answer: "Qualified." The revenue laws do not contain any provision for interim cancellation of a valid registration in order to become subject to local property taxation. We would have no objection, however, to cancellation if DMW determines that the mobilehomes were registered in error under a reasonable mistake of law.

We are forwarding a copy of this letter to DMV for whatever action they determine proper on your application. It should be pointed out that any action to obtain cancellation of registration must be accomplished prior to March 1, 1981, because the exemption from the use tax is expressly contingent upon the subject property being subject to local property taxation.

Please contact me by telephone if you have any further questions.

Sincerely,

W. E. Burkett
Tax Counsel

WEB:ljt

cc: Mr. Alan Nateer
Chief Counsel
Department of Motor Vehicles
2415 First Avenue
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be: Occasional Sales (AC)