

**Affidavit To Exempt Modular Homebuilders
From the Increase in the State Tax Rate from 2.50% to 4.75%**

To be used in connection with sale or purchase of modular home for use in the performance of a lump-sum or unit-price contract entered into or awarded prior to January 1, 2014, or entered into or awarded pursuant to bids made prior to January 1, 2014. This affidavit is to be executed by the modular homebuilder to the modular home manufacturer of a modular home and is valid only when used in connection with the increase in the State tax rate from 2.50% to 4.75%. For more information regarding the appropriate use of affidavit, refer to SD-13-3, Modular Homes Directive.

This is to certify that _____, a modular homebuilder, entered into a lump-sum or unit-price contract with _____ on _____ or pursuant to a firm bid made on _____ whereby said modular homebuilder agreed to furnish a modular home at the following address/location _____.

This affidavit is submitted to _____, a modular home manufacturer, for the completion of such lump-sum or unit-price contract without charging the general State tax rate of 4.75% sales or use tax.

It is understood and agreed that the modular homebuilder will retain on file the original or duplicate original of said lump-sum or unit-price contract for a period of not less than three years from the date this affidavit was executed for examination by an authorized agent of the Secretary of Revenue of North Carolina with respect to the sales and use tax liability of the aforesaid Modular Home Manufacturer.

Modular Homebuilder

By: _____
Authorized Agent Title Telephone Number Date

Instructions

1. This affidavit must be fully completed in all respects by a modular homebuilder who has entered into a lump-sum or unit-price contract, or was awarded such contract pursuant to a bid made prior to January 1, 2014, for the erecting, of a modular home. It must be submitted by such modular homebuilder to a modular home manufacturer as evidence of the holding of such lump-sum or unit-price contract.
2. The modular home manufacturer and the modular homebuilder should retain the affidavit on file for a period of not less than three years.
3. The modular homebuilder must retain on file the original or duplicate copy of the original of the lump-sum or unit-price contract.
4. Purchase orders, invoices, shipping orders, delivery tickets, or any other pertinent records of the modular home manufacturer and modular homebuilder are subject to examination as evidence of such facts.

Under the provisions of G.S. 105-236(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For each misuse of an exemption certificate, the Secretary must assess against the purchaser an additional tax, as a penalty, of \$250.