



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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R-178485

October 23, 1973

Captain G. D. Troxel, USAF
Accounting and Finance Officer
Defense Supply Agency
Defense Contract Administration Services
Region, Atlanta
3100 Maple Drive, N.E.
Atlanta, Georgia 30305

Dear Captain Troxel:

We refer to your letter of March 7, 1973, your reference DCRA-FA, requesting an advance decision as to the propriety of paying the reclaim voucher of Mr. Stephen K. Emody, an employee of the Defense Supply Agency, for real estate expenses in connection with the transfer of his official duty station from Charleston, South Carolina, to Daytona Beach, Florida.

You state that the transfer was completed under PCS Travel Order No. DCRA 2935, dated September 29, 1972, and that the employee was allowed \$1,253.10 for temporary quarters subsistence expense. He was also reimbursed for the movement of his household goods, which weighed 4,860 pounds at the rate of \$11.20 cwt plus 2 months storage and related expenses.

Shortly after his arrival in Daytona Beach, Mr. Emody purchased a mobile home and submitted a DD 1705 application for reimbursement of his real estate expenses claiming \$609 consisting of the following expenditures:

| | |
|-----------------------|---------------|
| Credit Report | \$ 65.80 |
| State Revenue Stamps | 19.21 |
| Sales or Transfer Tax | 274.00 |
| Lot Preparation Fee | <u>250.00</u> |
| Total | \$609.00 |

You allowed \$85 covering the claim for reimbursement of the credit report and the state revenue stamps expenditures and disallowed the remaining two items advising Mr. Emody to file a reclaim voucher for submission to this Office for an advance decision.

In view of the fact that the travel orders authorized reimbursement for real estate expenses as well as for the shipment of household goods

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but did not authorize transportation of a mobile home, which was later purchased at the new official duty station, you question the propriety of payment of the above-itemized expenses connected with the purchase of the mobile home.

The revision of section 4, OMB Circular No. A-56, on June 26, 1969, clarified the meaning of residence or dwelling for which real estate expenses may be reimbursed by specifically including transactions involving purchase of a house trailer and/or the lot on which such house trailer is located or will be located. Since that revision of the OMB Circular No. A-56, our decisions have been to the effect that sales or transfer taxes on the purchase of mobile homes are in effect privilege or excise taxes and are properly reimbursable under subsection 4.2d of the Circular.

Since the \$274 sales tax appears to be an excise tax under the provisions of the "Florida Revenue Act of 1949," chapter 212, and chapter 320, Florida statutes, 1971 edition, the amount is reimbursable as a transfer tax within the meaning of subsection 4.2d of OMB Circular No. A-56. See B-178453, June 14, 1973, copy enclosed, and cases cited therein.

As to the \$85 consisting of the expenditures for a credit report and the revenue stamps, we point out that under the provisions of subsection 4.2d, these are allowable expenses providing that they are customarily paid by the purchaser of a residence in Daytona Beach and are reasonable in amount. Under the circumstances it appears that the allowance of these two items was proper.

With respect to the expenditure of \$250 for the preparation of the lot on which the mobile home was located, we were informally advised by Mr. Emody that this item involved the construction of a patio and a private driveway to the mobile home.

Under subsection 4.2d of OMB Circular No. A-56, costs incurred incident to construction of a residence are not reimbursable. We consider the charge for lot preparation in this case to be covered by that provision. Further, with respect to payment of the miscellaneous expense allowance to the claimant subsection 3.1(b)(2) of Circular No. A-56 provides for reimbursement of expenses incurred in connection with the unblocking, blocking and related expenses for relocating a house trailer. In situations similar to the one here involved where there is new construction involved in locating a house trailer at its site at the new

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official station we have held that reimbursement for such construction was not allowable as an item of miscellaneous expense under section 3 of the cited regulation. See B-176476, August 21, 1972, copy enclosed. Accordingly the expenditure of \$250 for site preparation is not for allowance.

The reclaim voucher which is returned herewith together with related papers is for processing in accordance with the above.

Sincerely yours,

Paul G. Deubling
For the Comptroller General
of the United States

Enclosures - 3

cc: Roland P. Ceolla
Executive Pro Tempore
Per Diem, Travel and Transportation
Allowance Committee
Forrestal Building, Room 7A-153
Washington, D.C. 20314

Reference: PDTATAC Control No. 73-22