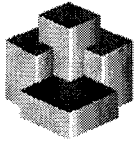


#2503

RECEIVED



Longview
Development LP

2007 OCT 25 AM 7:31
INDEPENDENT REGULATORY
REVIEW COMMISSION

James A. Weiss
General Counsel
Direct Dial: 610-902-3055
Email: jweiss@longviewlp.com

October 24, 2007

Mr. Gregory C. Fajt, Chief of Staff to Governor Rendell
255 Main Capitol Building
Harrisburg, PA 17120
Via email: gfajt@state.pa.us

Re: Proposed Amendments to 61 Pa Code, Chapter 91 (relating to realty transfer tax) ("Draft Regulations")

Dear Mr. Fajt:

We do a great deal of real estate business in Pennsylvania and are very concerned about the Draft Regulations the Department of Revenue has promulgated revising the realty transfer tax regulations. These regulations in certain instances are contrary to the law and also are bad public policy. They will discourage real estate transactions in Pennsylvania. Among the significant issues raised by the Draft Regulations are:

- realty transfer tax would be imposed on the assignment of a contract to purchase real estate. Taxing this type of transaction is contrary to the law under the Pennsylvania Supreme Court's holding in the Allebach case;
- like kind exchanges may well be subject to **four** transfer taxes because these regulations provide, contrary to the Federal law, that neither a "qualified intermediary" nor an "exchange accommodation title holder" are agents of the taxpayer. Pennsylvania would be the only state in the country where exchanges would be subject to such multiple realty transfer taxes; and
- in contrast to the existing regulations, in a sale leaseback transaction, if the lease term (including most options to renew) is 30 years or more, both the sale and the lease will be subject to realty transfer tax unless the transaction is a financing, as narrowly defined by the DOR. Thus, many sale leaseback transactions will be subject to two realty transfer taxes on the initial sale and leaseback, and a **third** realty transfer tax if the property ultimately is conveyed back to the seller.

Mr. Gregory C. Fajt
October 24, 2007
Page 2 of 2

For these reasons, we urge the Independent Regulatory Review Commission to reject these regulations and request the DOR to issue regulations that comply with the law and are good public policy.

Thank you for your consideration.

Very truly yours,

A handwritten signature in black ink, appearing to be "J. A. W. R.", written in a cursive style with a long horizontal stroke at the end.

CC: Mr. Kim Kaufman, Executive Director, IRRC

Gelnett, Wanda B.

RECEIVED

From: Kaufman, Kim
Sent: Wednesday, October 24, 2007 5:26 PM
To: Wilmarth, Fiona E.; Gelnett, Wanda B.; Cooper, Kathy
Cc: Johnson, Leslie A. Lewis; Emery, Heather; Schalles, Scott R.; Outreach
Subject: Fw:

2007 OCT 25 AM 7:31

INDEPENDENT REGULATORY
REVIEW COMMISSION



Trans Tax regs
protest ltr 10....

FYI

----- Original Message -----

From: Jim Weiss <JWeiss@longviewlp.com>
To: gfajt@state.pa.us <gfajt@state.pa.us>; Kaufman, Kim
Cc: chwilliams@pasenate.gov <chwilliams@pasenate.gov>
Sent: Wed Oct 24 15:41:02 2007
Subject:

Gentlemen

We would greatly appreciate your considering the enclosed comments. We are extremely concerned with efforts like this which would make doing business in our Commonwealth more onerous and expensive, which are directly contrary to Governor Rendell's efforts to improve our economy. Thank you very much. James A. Weiss, Esquire