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*Pennsylvania Institute of
Certified Public Accountants*

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November 18, 2005

Douglas A. Berguson, Senior Assistant Counsel
Office of Chief Counsel
Department of Revenue
Harrisburg, PA 17128-1061

Dear Mr. Berguson:

Thank you for the opportunity to review the proposed rulemaking amending the Realty Transfer Tax regulation. Our comments follow.

- In the definition of financing lease, the terms "equitable title" and "legal title" should be incorporated. The debtor not only retains possession and beneficial ownership but also equitable title. The term "beneficial ownership" may not be a strong enough term in describing the debtor's rights in the property. It is the debtor's equity rights in the underlying property that allow the property to be posted as collateral for the financing arrangement. We would like the Department to further evaluate whether the choice of the term "beneficial ownership" appropriately depicts the debtor's rights or should the term be replaced or supplemented by the term "equitable title".
- In addition, in clause iv, the word "title" should be preceded by the word "legal".

As always, we appreciate the opportunity to provide comments. Please do not hesitate to the PICPA if we can be of assistance to you.

Thank you.

Sincerely,

Timothy D. Billow, CPA
Chair, Subcommittee on Regulations

