

**280.0000 CONTRACT**

*See Change in Ownership*

[280.0001](#) **Lease or Conditional Sales Contract.** In determining whether a contract is a lease or a conditional sales contract, the intent of the parties, derived from the substance of the contract, is critical. A contract identifying itself as a lease may, in actuality, be a conditional sales contract and vice versa. With any given contract, some of the terms may be indicative of a lease, while others may point towards a conditional sales contract. Terms to be considered in this regard are the contract term and payments, and any ownership or title terms. Also relevant is how the lessor-seller treats the property for accounting purposes. LTA 9/7/79 (No. 79/155).