



**“1031 exchanges are crucial to our business.”**

## Alabama

*The deferred like-kind exchanges allowed under section 1031 has provided our company with additional capital which has helped us with our long term investment in our equipment rental fleets. Without the use of 1031 exchanges, our capital investment and borrowings would have increased. We need like-kind exchanges under section 1031 to remain in the tax code.*

Paul Tombrello, Controller  
Thompson Tractor Company  
Equipment Rental / Construction, 1001-2500 Employees

## Arizona

*With the desire to clean emissions from diesel engines we now must upgrade our equipment to meet these new government standards. LKE has allowed us to sell older cranes from our fleet and use 100% of the proceeds to replace with new cranes designed with Tier 4 engines. Without LKE meeting the clean air requirements would be economically crippling.*

Dennis Ferguson, CFO  
Bragg Crane Service  
Equipment Rental / Construction, 501-1000 Employees

*We have used like-kind exchanges in real estate and in a personal property rental fleet. In both instances, the tax deferral has maximized the amount of capital we could re-invest in the economy. In many instances, we have used deferred exchanges which involve new investment dollars coming into the economy (not just two property owners swapping land for land...) This regime has really helped us in many ways. I recommend keeping this program.*

Brian Hansen, CFO  
Empire Machinery  
Equipment Rental / Construction, 1001-2500 Employees

*The 1031/Like Kind Exchange program has been critical to my business. The constant evolution of “high tech” equipment in the entertainment industry is a challenging element to keep up with. Like kind exchange allows us to combat obsolescence and remain state-of-the-art in a highly competitive industry. I’m not sure how we’d cope with the constant investment in new technology without the assistance of this program.*

Gregg Brunclik, President & CEO  
Clearwing Productions Inc.  
Equipment Rental, 51-250 Employees



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## California

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Brian Hansen, CFO  
Empire Machinery  
Equipment Rental / Construction, 1001-2500 Employees

## Colorado

*1031s have kept our company viable. We are a small independent leasing company as you know. The competition today comes from big players, who get their money from securitized lenders at much more competitive rates than we, or the typical small independent lease company, is able to obtain. As a result, our margins are so narrow that without the LKE, it would be hard to justify staying in the market, resulting in the loss of jobs.*

Steve Perkins, President  
Centennial Leasing, Inc.  
Automotive Leasing, 1-50 Employees

## Florida

*We have used the tax incentives from Bonus Depreciation to survive the recession and now grow our equipment fleet. Our customers rely on us more than ever to rent them earthmoving equipment on a short term basis at a time when many of them cannot qualify for the financing to purchase equipment. The 1031 exchange has allow us to continue to re-invest in our fleet and to help drive Florida's economy back to recovery.*

Raymond Ferwerda Jr, President  
GS Equipment, Inc.  
Equipment Rental / Construction, 51-250 Employees



## Hawaii

*My family purchased Bacon Universal Company, Inc. in 1994 when it was in an extremely distressed financial state. We struggled along for 10 years with an average number of employees at 40 and a major problem in borrowing enough funds to expand our Construction Equipment Rental Fleet. (Units in our rental fleet vary from \$10,000 to \$500,000 per unit.)*

*I am very pleased to report that we were introduced to Section 1031 Like Exchange and adopted same in 2006. Section 1031 has allowed us to expand our Rental Fleet from an initial investment of \$3,500,000 to its present size of \$41,000,000 with a corresponding work force of 98 employees. Again, without the assistance of Section 1031 which enabled us to invest the deferred taxes on gains, we would not have had the capital to invest in new equipment, with the resulting increased employee count.*

*The construction industry in Hawaii was hit hard since the 2008 recession and has slowly started to recover over many years. Section 1031 has allowed us to reinvest at a time of slow economic growth when contractors optioned toward a rental equipment strategy rather than purchase to conserve capital.*

*It is also worth reaffirming that Section 1031 is simply a Tax deferral which enables small business like ours to expand, but once the expansion has been achieved the treasury is made whole. Section 1031 does not mean we do business tax free.*

*If our industry is going to continue to grow we will need the ability to retain capital, we will need the ability to increase and replace our rental fleet, and we need the ability to expand into new ventures. Section 1031 accomplishes all of these. On behalf of our industry, our business, and our employees we fully endorse the continuance of Section 1031 Like Kind Exchange.*

Phillip J. Silich, President & CEO  
Bacon-Universal Company, Inc.  
Equipment Rental / Construction, 51-250 Employees

## Iowa

*GreatAmerica is a commercial equipment finance company that has extended credit to nearly 300,000 U.S. businesses since the inception of our organization. We provide lease and loan financing solutions that enable these U.S. businesses to acquire the critical capital equipment needed to grow their business and stay competitive in the global economy. Section 1031 provides us the opportunity to offer more competitive leasing solutions that make it easy and economical for our customers to grow. For those customers where we provide strictly a loan solution, it affords those customers the opportunity to use 1031 as a further incentive to invest in growth capital equipment. As an executive and 25 year finance professional there is no question to me that Section 1031 has provided and continues to provide a boost to the U.S. economy. It is critical that Section 1031 remains in place.*

Joe Terfler, CFO  
GreatAmerica Financial Services  
Financial Services, 1-50 Employees



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## Idaho

*Because of the tax deferral provisions in Section 1031, we have been able to be much more aggressive with the size of our rental fleet. The rental business has its challenges with one of them being the significant capital investment necessary to invest in rental machines. This provision in the tax code allows us to increase our rental investment.*

William Crandall, CFO  
Modern Machinery Co., Inc.  
Equipment Rental, 251-500 Employees

## Illinois

*Section 1031 is imperative to our firm. Our business model is to acquire investment property all across the country and then offer our individual investors fractional ownership. A lot of these investors are participating in our syndicates to fulfill a 1031 exchange. About half of our equity comes from 1031 investors and without this source of capital, our business would do about half the deals it currently does.*

*This means that it is likely that half the people at our firm would lose their job. This would also mean that the lawyers, appraisers, bankers, brokers, engineers, and accountants that are involved in our acquisitions would also be out of work.*

Jessica Healy, Investment Associate  
Syndicated Equities  
Real Estate, 1-50 Employees

*The Fleet leasing industry is a highly leveraged industry. The continual challenge in our industry is obtaining adequate access to working capital at competitive rates. This access to working capital is predicated predominately profitability, cash flow, and leverage.*

*Like Kind Exchange allows the deferral of tax on the dispositions of vehicles. This tax deferral provides us with more cash to fund additional vehicles. This tax deferral also reduces our all in cost of ownership of our vehicles. More cash and lower cost result in reduced leverage and increase profitability, which our funding sources value.*

*From the government standpoint, the tax deferral is only a timing difference and when the increase profitability is factored in, the end result will be more taxes will be paid to the government.*

Gregory Kechik, Director of Accounting  
Union Leasing  
Automotive Leasing, 1-50 Employees





*1031 Exchange clients make up half of our capital, without it, we would only employ half of our employees.*

Jonathon Carlson  
Syndicated Equities  
Real Estate, 1-50 Employees

*We have used 1031 exchanges a number of times over the last several years, years where our industry has suffered immensely from underfunding at the federal, state and local level, and has aided us in the ability to continue to maintain an up to date fleet that allows us to continue to compete during these tough times. This has also allowed us to address environmental improvements in the newer lines of equipment that are being mandated by the federal government.*

Mark Sniegowski  
K-Five Construction Corporation  
Construction, 251-500 Employees

*Section 1031 has been authorized since the 1920s. It provides for continuity of investment by allowing for deferral of the tax gain through additional investment in like-kind property/equipment. Keep in mind that the additional investment must be for property/equipment in the US, this strengthening our country's investment base. Additionally, the exchange results in lower cost of funds for the customer. Please keep this valuable financing tool available.*

Christine Jensen  
BMO Harris  
Financial Services, 51-250 Employees

*We have used 1031 exchanges to keep our equity fully invested in real estate. Otherwise we would have taken our money and put it elsewhere and not kept as many people in our company employed.*

Gerald Nudo  
Marc Realty  
Real Estate, 51-250 Employees



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## **Kentucky**

*The ability to plan for the tax impact of a transaction spurs economic transactions. Deferring tax on gains resulting from a sale transaction makes a reinvestment much more attractive and increases the frequency and value of reinvestments. But for IRC 1031, we would not have reached the size we are today or enjoyed the business growth to employ more people that we’ve hired since 1999.*

Jim Donnally, CFO  
Glockner Enterprises  
Automotive Leasing, 251-500 Employees

## **Louisiana**

*Section 1031 allows us to reinvest more of our capital directly into the business. As a result of the S1031 program, we are able to turn over aging assets quicker and invest in new equipment, saving the company in long term maintenance costs and generating increased productivity. The reinvestment allows us to maintain a growth pace and hire new employees to meet the demand. If we were not able to use the S1031 program, then we would be holding on to older assets longer due to the investment costs and the result would be slower company growth and productivity.*

Mike Boudreaux, Finance Manager  
Dupre Logistics  
Transportation, 1001-2500 Employees

*Section 1031 has benefited my employer immensely by giving my employer the ability to align its properties and structures in order to operate more efficiently. If the exchanges were taxable, there would be significantly less capital available for additional investment and job creation.*

Energy, 2501+ Employees

## **Maryland**

*The Tax Reform Act of 1986 should be a bell weather event alerting the Congress that when they tamper with well-established real estate tax law they run the serious risk of hurting the entire real estate industry. We saw the Resolution Trust Corporation come into existence post TRA ‘86 and if the Congress eliminates 1031 LKE another “TRA” will be needed.*

John E Bishop  
Silver Portal Capital  
Financial Services, 1-50 Employees



## Minnesota

*As a bank, TCF uses LKE to reduce its cost of funding. This, in turn, allows us to reduce the costs of loans and services to our borrowers and customers, many of whom are of low or moderate income levels. This not only helps our customers, it also helps the broader economy by keeping these costs low.*

Tom Gottwalt, Vice President / Director of Tax  
TCF Financial Corp.  
Financial Services, 2501+ Employees

## Missouri

*Section 1031 is a part of my financial planning practice. I have been able to help multiple clients achieve their financial goals and objectives utilizing exchanges as well as generating additional revenues for my firm. Coming from an area surrounded by a lot of family farmers, a repeal of the 1031 would be devastating.*

John Christy  
Premier Financial Partners  
Financial Services, 1-50 Employees

## Montana

*Because of the tax deferral provisions in Section 1031, we have been able to be much more aggressive with the size of our rental fleet. The rental business has its challenges with one of them being the significant capital investment necessary to invest in rental machines. This provision in the tax code allows us to increase our rental investment.*

William Crandall, CFO  
Modern Machinery Co., Inc.  
Equipment Rental, 251-500 Employees

## Nevada

*With the desire to clean emissions from diesel engines we now must upgrade our equipment to meet these new government standards. LKE has allowed us to sell older cranes from our fleet and use 100% of the proceeds to replace with new cranes designed with Tier 4 engines. Without LKE meeting the clean air requirements would be economically crippling.*

Dennis Ferguson, CFO  
Bragg Crane Service  
Equipment Rental / Construction, 501-1000 Employees



## **New Hampshire**

*1031 is a significant part of our business, as we help provide a solution to hundreds of individuals utilizing a DST structure. I speak with hundreds of clients per week that rely on the 1031 tax policy in their decision making process. Without the 1031 policy there would not be the significant opportunity for my business and the benefits it provides to so many owners of investment real estate. Please keep the tax policy in place as it makes tremendous economic sense.*

Ron Cole  
Four Springs Capital Markets  
Financial Services, 1-50 Employees

## **New Jersey**

*BMW's Like-Kind Exchange Program provides the BMW US Consolidated Group with the benefits of tax deferral. The current tax savings that BMW achieves through its LKE Program allows BMW to offer more attractive lease rates to customers, which helps increase the sale of vehicles by BMW's distribution entity and helps BMW to grow its businesses in the United States, including the operations of its manufacturing plant in Spartanburg, South Carolina.*

*If LKE were repealed, BMW would experience a significant negative impact in its U.S. sales, leasing, and manufacturing businesses.*

Robert Cassidy  
BMW of North America  
Automotive Leasing, 2501+ Employees

## **Ohio**

*The ability to plan for the tax impact of a transaction spurs economic transactions. Deferring tax on gains resulting from a sale transaction makes a reinvestment much more attractive and increases the frequency and value of reinvestments. But for IRC 1031, we would not have reached the size we are today or enjoyed the business growth to employ more people that we've hired since 1999.*

Jim Donnally, CFO  
Glockner Enterprises  
Automotive Leasing, 251-500 Employees

## **Oklahoma**

*Section 1031 has benefited my employer immensely by giving my employer the ability to align its properties and structures in order to operate more efficiently. If the exchanges were taxable, there would be significantly less capital available for additional investment and job creation.*

Energy, 2501+ Employees





**“1031 exchanges are crucial to our business.”**

*Sec. 1031 benefits every small business from Farmers to Plumbers to Highway Contractors by allowing them to replace the necessary equipment that they must have to run their businesses. The replacement of assets is inherent to the operation of a business and Sec. 1031 is essential in order to allow businesses to operate and keep their hard-earned cash invested in the assets that make their livelihood possible.*

Tracy Thompson, CFO  
Yellowhouse Machinery Co.  
Equipment Rental / Construction, 251-500 Employees

### **Oregon**

*Because of the tax deferral provisions in Section 1031, we have been able to be much more aggressive with the size of our rental fleet. The rental business has its challenges with one of them being the significant capital investment necessary to invest in rental machines. This provision in the tax code allows us to increase our rental investment.*

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Equipment Rental, 251-500 Employees

*I have helped many people buy and sell Real Estate through 1031 exchanges. If they were not allowed to use the 1031 exchange benefits, the deals would not have gone through, as it would not be financially viable. The 1031 exchange benefits are crucial to my business in real estate, and I have many clients who use me because I am familiar with the process.*

Jodell Born, Real Estate Broker  
Allison James Estates & Homes  
Real Estate, 1-50 Employees

*1031 availability has enabled our company to grow our fleet from an average of 250 rental vehicles to over 800 in the past seven years. It is great tax policy. We will continue to take advantage of the program to assist us in growing our business with its corresponding increase in good paying jobs throughout the Pacific Northwest. Thank you.*

Ted Anderson  
West One Automotive Group  
Automotive Leasing, 251-500 Employees



## South Carolina

*BMW's Like-Kind Exchange Program provides the BMW US Consolidated Group with the benefits of tax deferral. The current tax savings that BMW achieves through its LKE Program allows BMW to offer more attractive lease rates to customers, which helps increase the sale of vehicles by BMW's distribution entity and helps BMW to grow its businesses in the United States, including the operations of its manufacturing plant in Spartanburg, South Carolina.*

*If LKE were repealed, BMW would experience a significant negative impact in its U.S. sales, leasing, and manufacturing businesses.*

Robert Cassidy  
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Automotive Leasing, 2501+ Employees

## Tennessee

*We are in the heavy equipment rental and distribution business, and Section 1031 has enabled us to roll more equipment into and out of our rental fleet, enabling our manufacturers to make more equipment, and for our company to increase our revenues, which increases our employment and profitability (profitable companies pay more taxes than ones that are struggling!)*

Wes Stowers  
Stowers Machinery Corporation  
Equipment Rental / Construction, 251-500 Employees

## Texas

*Section 1031 has allowed us to defer the tax on maintaining and growing our rental fleet with new equipment. We reinvested the money related to the deferred tax back into our business. The deferred tax is additional equity that would have left the business in order to pay tax. Just over the last three years, this deferral has helped us acquire an additional \$80 million in rental assets and hire an additional 74 employees. Had the 1031 program not been available, this growth and contribution to the economy would not have been possible.*

Mary Ann Wright  
Mustang Cat  
Equipment Rental / Construction, 501-1000 Employees

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Energy, 2501+ Employees



*1031 Exchanges allow us to have the capital we need to reinvest in our infrastructure when selling at the wrong time might not otherwise make economic sense.*

Oscar Torres  
Tower Rock Oil & Gas  
Energy, 1-50 Employees

*Sec. 1031 benefits every small business from Farmers to Plumbers to Highway Contractors by allowing them to replace the necessary equipment that they must have to run their businesses. The replacement of assets is inherent to the operation of a business and Sec. 1031 is essential in order to allow businesses to operate and keep their hard-earned cash invested in the assets that make their livelihood possible.*

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Dennis Ferguson  
Bragg Crane Service  
Equipment Rental / Construction, 501-1000 Employees

## **Utah**

*As a construction equipment company owner who rents equipment to contractors, miners, home builders, and landscapers, 1031s have allowed us to meet market demands as business starts to improve. Allowing us to retain the capital needed to reinvest in our rental fleet has allowed us to expand to meet the growing needs of our market. Eliminating 1031s would be a tax on the capital required to fill the need of an expanding economy when it needs it most.*

Paul Campbell, Executive Vice President  
Wheeler Machinery  
Equipment Rental / Construction, 501-1000 Employees



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Ted Anderson  
West One Automotive Group  
Automotive Leasing, 251-500 Employees

*1031 Exchanges create additional opportunity to make further CapEx investments back in your business. For us specifically it allowed us to expand the purchasing of construction equipment due to the additional capital available. I believe strongly that this tax incentive provides a very important additional opportunity to boost our economy.*

Dax Woolston, Controller  
Lakeside Industries, Inc.  
Construction, 251-500 Employees

*Because of the tax deferral provisions in Section 1031, we have been able to be much more aggressive with the size of our rental fleet. The rental business has its challenges with one of them being the significant capital investment necessary to invest in rental machines. This provision in the tax code allows us to increase our rental investment.*

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Equipment Rental, 251-500 Employees





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