

Leppo Rents Chairman Urges Congress to Expand Home Purchase Tax Credit

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Dale Leppo, chairman of Leppo Rents/Bobcat of Akron, a third-generation, family-owned company that sells, rents, and services Bobcat, Gradall, and JLG construction products, last week called on Congress to act to benefit small businesses being hurt by the housing slump.

Leppo delivered his message at a U.S. House of Representatives Small Business Committee hearing on behalf of the Associated Equipment Distributors, a national trade association that represents construction, mining, forestry, industrial, and agricultural equipment distributors.

Leppo called on Congress to swiftly enact a "no strings attached" \$7,000 tax credit for individuals and couples who buy a primary residence before the end of the 2008, saying that this would help stabilize the housing market, nudge prospective buyers off the fence, draw down excess inventory, boost home values and restore consumer confidence.

Although both the House and Senate have passed separate versions of a home purchase tax credit in recent months, neither is as generous as that proposed by Leppo. The Senate version would provide a \$7,000 tax credit over two years for the purchase of a foreclosed home; the House proposal would provide first-time homebuyers with a \$7,500 tax credit that would have to be repaid over 15 years. The House tax credit would be phased out for individuals and couples earning more than \$70,000 and \$140,000 respectively.

Leppo cited data released in late May by the U.S. Bureau of Economic Analysis showing that the drop in home purchasing in the first quarter of 2008 was the worst yet in nine consecutive quarters of declining residential real estate investment. According to another recent government report, the first quarter of 2008 saw the largest quarterly home price decline on record. Given this new evidence of the scale of the residential real estate crisis, Leppo said that the home purchase tax credit should be dramatically expanded in conference and quickly enacted into law.

Leppo is AED's 2008 Government Affairs Committee chairman and served as the organization's national chairman in 2006. Since January, AED has been a leading proponent of the home purchase tax credit on Capitol Hill.

Leppo said that 46 percent of the respondents to a recent AED member survey reported that the housing downturn had had a major impact on their companies.

"America is facing an economic crisis unlike any in a generation. The U.S. economy is now facing a number of challenges at once: a residential real estate slump, escalating oil and food prices, a consumer credit crisis and a weak dollar. Of these, Congress is best positioned to address the residential real estate crisis and the most effective way to do so is through a home purchase tax credit."

Headquartered in Akron, Ohio, Leppo Rents has six locations throughout northern Ohio.

AED is an international trade association representing companies involved in the distribution, rental and support of equipment used in construction, mining, forestry, power generation, agriculture and industrial applications.