

118TH CONGRESS
1ST SESSION

H. R. 5251

To amend the Internal Revenue Code of 1986 to allow a deduction for investment advisory expenses of certain funeral and cemetery trusts during suspension of miscellaneous itemized deductions, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 22, 2023

Mr. FERGUSON (for himself and Ms. SÁNCHEZ) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow a deduction for investment advisory expenses of certain funeral and cemetery trusts during suspension of miscellaneous itemized deductions, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. DEDUCTION FOR INVESTMENT ADVISORY EX-**
 2 **PENSES OF CERTAIN FUNERAL AND CEME-**
 3 **TERY TRUSTS ALLOWED DURING SUSPEN-**
 4 **SION OF MISCELLANEOUS ITEMIZED DEDUC-**
 5 **TIONS.**

6 (a) IN GENERAL.—Section 67(g) of the Internal Rev-
 7 enue Code of 1986 is amended—

8 (1) by striking “Notwithstanding” and insert-
 9 ing the following:

10 “(1) IN GENERAL.—Notwithstanding”, and

11 (2) by adding at the end the following new
 12 paragraph:

13 “(2) DEDUCTION FOR INVESTMENT ADVISORY
 14 EXPENSES OF CERTAIN FUNERAL AND CEMETERY
 15 TRUSTS ALLOWED DURING SUSPENSION.—In the
 16 case of any qualified funeral trust (as defined in sec-
 17 tion 685(b)) or cemetery perpetual care fund (de-
 18 scribed in section 642(i) and meeting the require-
 19 ments of paragraphs (1) and (2) thereof), subsection
 20 (a) and paragraph (1) of this subsection shall not
 21 apply to any deduction allowed for investment advi-
 22 sory expenses for a taxable year beginning after De-
 23 cember 31, 2023, and before January 1, 2030.”.

24 (b) EFFECTIVE DATE.—The amendments made by
 25 this section shall apply to taxable years beginning after
 26 December 31, 2023.

1 **SEC. 2. SPECIAL RULE FOR DISTRIBUTIONS BY CEMETERY**
2 **PERPETUAL FUNDS INDEXED TO INFLATION.**

3 (a) IN GENERAL.—Section 642(i) of the Internal
4 Revenue Code of 1986 is amended to read as follows:

5 “(i) CERTAIN DISTRIBUTIONS BY CEMETERY PER-
6 PETUAL CARE FUNDS.—

7 “(1) IN GENERAL.—In the case of a cemetery
8 perpetual care fund which—

9 “(A) was created pursuant to local law by
10 a taxable cemetery corporation for the care and
11 maintenance of cemetery property, and

12 “(B) is treated for the taxable year as a
13 trust for purposes of this subchapter, any
14 amount distributed by such fund for the care
15 and maintenance of gravesites which have been
16 purchased from the cemetery corporation before
17 the beginning of the taxable year of the trust
18 and with respect to which there is an obligation
19 to furnish care and maintenance shall be con-
20 sidered to be a distribution solely for purposes
21 of sections 651 and 661, but only to the extent
22 that the aggregate amount so distributed dur-
23 ing the taxable year does not exceed \$25 multi-
24 plied by the aggregate number of such
25 gravesites.

1 “(2) INFLATION ADJUSTMENT.—In the case of
2 any taxable year to which this subsection applies and
3 which begins after 2024, the \$25 amount in para-
4 graph (1)(A) shall be increased by an amount equal
5 to—

6 “(A) such dollar amount, multiplied by

7 “(B) the cost-of-living adjustment deter-
8 mined under section 1(f)(3) for the calendar
9 year in which the taxable year begins, deter-
10 mined by substituting ‘calendar year 2023’ for
11 ‘calendar year 2016’ in subparagraph (A)(ii)
12 thereof.”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to taxable years beginning after
15 December 31, 2023.

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