National Funeral Directors Association
Informs Educates Advocates

2011 POLICY

TAX DEDUCTION OR CREDIT FOR UNREIMBURSED EXPENSES FOR PROVIDING INDIGENT FUNERALS

NFDA Position

That NFDA initiate and support federal legislation to provide a tax deduction or credit for the unreimbursed expenses related to a funeral home providing indigent funeral and/or final disposition services and or merchandise.

Background

Most state or local governments have funds set aside to pay for the funeral and final disposition of individuals who have no resources to pay for it themselves. These funds are paid to a local funeral home that volunteers to provide the basic funeral, merchandise and disposition services for the individual. However, the payments are minimal and fail to cover all the costs incurred by the funeral home in providing these voluntary services and merchandise. This situation has been exacerbated by the current economic downturn where more and more families are unable to pay the funeral and final disposition expenses for the death of a family member due to unemployment or other economic hardships. In addition, many state and local governments are cutting budgets to meet the minimal services needed for their residents. Consequently, many of these indigent burial funds are either unfunded or their monies have been shifted to other programs. This leaves the funeral home who is asked by the state or local governments to continue to voluntarily provide these services and merchandise in an even more untenable financial position. Many funeral homes are now finding it difficult to fulfill this historic role in assisting their communities in these efforts.

Discussion

In response to this increasing widespread problem, NFDA has gone to Congress for relief in the form of legislation to provide a tax deduction for the unreimbursed expenses incurred by a funeral home for services and merchandise provided for the funeral and/or final disposition of an indigent as requested by a state or local government. As a result of our efforts, Rep. Broun (R-GA) has introduced H.R. 3809, a bill that would provide a tax deduction of up to $3,000 for these expenses for each indigent funeral and/or final disposition conducted by a funeral home. The bill was not considered by the 111th Congress and NFDA will work with our sponsor Rep. Paul Broun (R-GA) to reintroduce it again in the 112th Congress.

NFDA Governance History:
2010: Committee Action 1/20/10; Policy Board Action 3/08/10
2011: Committee Action 1/27/11; Policy Board Action 3/09/11
Attest: NFDA Policy Board (original resolution) Date: March 08, 2010 File Code: RES092/Policybd