


[116H6856]



(Original Signature of Member)

117TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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.

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IN THE HOUSE OF REPRESENTATIVES

Ms. SÁNCHEZ introduced the following bill; which was referred to the  
Committee on \_\_\_\_\_

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**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, 2021, and before January 1, 2028.”.

24 (b) EFFECTIVE DATE.—The amendments made by  
25 this section shall apply to taxable years beginning after  
26 December 31, 2021.

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 2022, 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 2021’ 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, 2021.