



July 30, 2008

BREAKING NEWS: House Passes NFDA's QFT Bill

Last night, the House unanimously passed NFDA's qualified funeral trust (QFT) bill. QFT was included in a veterans' benefit bill called The Hubbard Act (H.R. 6580, also known as the Saving Private Ryan bill), which gives military benefits to active members of the military declared as sole survivors of their families and honorably discharged. The bill now goes to the Senate, where it has been hotlined by Senator Feinstein, D-Calif., and Sen. Saxby Chambliss, R-Ga., to go directly to the Senate floor. The Senate vote should occur by the end of the week. Once passed, it will go to the president for his signature.

Passage of this bill into law will help you, state associations with master trusts and the families you serve. QFT eliminates the dollar limit on qualified funeral trusts. Currently, if a preneed trust is valued at less than \$9,000, a funeral director trustee can pay the tax on the trust's income directly to the IRS. Taxes on trusts valued at more than \$9,000 must be paid by the trust holder.

Eliminating the QFT dollar limit will simplify the tax-reporting burden for consumers, especially senior citizens, and eliminate the costs you incur when sending 1099 or K-1 form to trust holders. By some estimates, the administrative costs for processing and mailing a single 1099 or K-1 form is approximately \$7.50. Successful passage of the QFT bill could save you hundreds or thousands of dollars annually.

NFDA's full-time advocacy staff in Washington, D.C., has worked diligently on this issue for more than five years and, while the battle won't be over until QFT is signed into law, we are closer than ever before! Rep. Ron Kind, D-Wis., has championed this bill and his tenacity, along with that of NFDA-member Rep. Charlie Wilson, D-Ohio, brought us to this point in our nation's capital.

Most important, however, has been the effort of every NFDA member who lobbied their congressional representatives over the years, urging them to pass this important piece of legislation. Thank you for your grassroots advocacy on behalf of your business and the families you serve. Together, we can make a difference!