



National Funeral Directors Association
*Informs *Educates *Advocates

2011 POLICY

TAX REFORM

NFDA Position

That NFDA actively monitor this issue and act only on proposals that are either beneficial or detrimental for funeral service.

Background

Almost everyone agrees the current tax system is complicated and unfair, but there is no consensus on how it should be reformed or what system should replace it. There is a strong sentiment in capital intensive sectors for a consumption or Value Added tax (VAT) tax similar to the system now in place in many European countries, which would reward savings and investment. The flat tax is another alternative which would eliminate all exemptions and deductions and the tax would be a simple percentage of total income. A third approach is a "National Sales Tax." Under this approach, the Internal Revenue Service would be dismantled and primary responsibility for collecting the retail sales tax would be placed on the businesses or on electing states. The personal and corporate income taxes, estate and gift taxes, and all non-trust fund dedicated excise taxes would be repealed. The Social Security Administration would take over the collection of payroll taxes, and a new Excise Tax Bureau would be established to collect the other trust fund dedicated taxes such as those that finance the Highway and Aviation Trust Funds. Finally, the last approach would be to reform the current tax code similar to what occurred in 1986. This approach merely reduced the rates and broadened the base of taxpayers by eliminating or reducing a number of exemptions and deductions for both business and individuals.

Discussion

Over the past several Congresses, many bills have been introduced that incorporate flat tax, sales tax, and consumption tax concepts. In addition, legislation to abolish the current code also have been introduced. Generally, the chances for passage of legislation abolishing the tax code or radically changing it are very slim. However, they still try. With many in Congress on both sides of the political aisle and the President urging some action on tax reform in the next two years, we can expect that numerous tax reform bills will be introduced, debated and even considered.... and who knows, one may even pass!

NFDA Governance History:

2011: Committee Action 1/27/11; Policy Board Action 3/09/11

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