

PRESIDENT'S ADVISORY
BOARD - Robert L. Creal
ON FEDERAL TAX REFORM Seventh Avenue South
P.O. Box 14513
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February 25, 2005

The President's Advisory Panel
1440 New York Avenue , N.W.
Suite 2100
Washington, D.C. 20220

Dear Sirs:

The purpose of this letter is to bring about an awareness to an issue, which I think would be of National interest, because millions of lives are touched by these experiences.. I m a licensed and practicing Funeral Home operator in the State of Florida. In my fiftieth year of ownership, with fifteen years of prior experience as a Trianee and employee/ manager of other firms. I am a member of The National Funeral Directors Association; the Florida Funeral Directors; The Pinellas County Funeral Homes Association; National Funeral Directors and Morticians Association; The Florida Morticians Association, of which I am a Past President and Past Chairman of The Board,; a member of The Second Regional District of The Florida Morticians Association, of which I am Past Chairman and Past Treasure. I am a former member of the Board of Funeral Directors and Embalmers for The State of Florida, having served a two year appointment and a four year term, under the former Governor Bob Graham.

My concern is , "What is the plight of recently Bereaved Families"??. At death, assets of the Deceased are frozen, until certain legalities are met, which may take weeks, months, or years, if Estate proceedings are involved. Most Families desire to bury, or complete

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operation within three to ten days. There are Third Party Vendors, whose services are Needed to complete the desires and needs of the Bereaved and who may demand pay before services rendered. With assets of the Deceased frozen, the service provider may choose to pay such Vendors and add same to the Funeral Bill, to be reimbursed when assets are available. The Server may exercise His judgement, to finance the procedure; to refuse to serve until the Bereaved can arrange their own finances. It is common knowledge that reimbursement of such funds are legally non TAXABLE/WASHOUT TRANSACTIONS. The same goes for refunding any over payment to the Client, because there is NO GAIN in these transactions. There exists an inconsistency, because guidelines by the Federal Trades Commission and the IRS are Vague and confusing and can be easily mis-undered by an Accountant, who may not be familiar with Funeral Home operation and who may think that all income is taxable, with Magic Math, allowing DOUBLE TAXATION ; UNFAIR TRADES RESTRAINTS and STATISTICAL LIMITATIONS. This an ACCOUNTING PROBLEM, which can be solved by ACCURATE ACCOUNTING, rather that ACCEPTED ACCOUNTING and by getting rid of the MAGIC MATH. The current guidelines, as directed by the FTC, will eliminate the Mom and Pop Funeral Service, who don not own cemeteries; newspapers; flower shops, or other entities, whose services are needed to, to complete the needs and desires of the Bereaved. There is a need to AUGMENT THE CURRENT RULES and if the current legislature before Congress is codified, Consumers could left at the mercy of Conglomerates, who operate One-Stop by remote control. The Greiving Public Will suffer great handicaps, if Mom and Pop Funeral Home Operators are Pressured out of existence. Aspirants to the Funeral Service would face Un-

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surmountable Odds and opportunities for Entrenouers would be handicapped.. In 1993, the Florida State Legislature enacted ESCROW LAWS, which allows a CLEAR TRAIL for SEPARATION OF FUNDS re. cash advance and refund transactions. IRS does give deductions, so deductions must be claimed. Accurate accounting needs a clear and concise guidelines, simple and easily understood, even by People who are not familiar with Funeral Home operation. If I provide a 5000.00 service to a Client, who intends to pay with insurance proceeds, which are not immediately available\; if I choose to advance 3000.00 for the cemetery, the Client is billed 8000,00. Now, if and when, I am paid 8000, 00 , and I am taxed on 8000.00, I am taxed on 6000,00 , then the cemetery is taxed on three thousand, so, there is tax on 9000.00 dollars on a 3000.00 transaction. The magic math and a lack of knowledge and/or undestanding of Funeral Home operation provides a lucrative, but unfair income for the Government. This Idea has been presented to all of my Associations, local and National, d four times at National meetings in Washington; twice to the FTC, in Washington, The FTC determined that if such an inconsistency exists, it is beyond the scope off their jurisdiction and must be resolved by IRS, or Congress, The IRS has determined that if they look at the transactions and find that their People are wrong, the System will collapse. The Associations have determined that the laws as written are adequate. The Rugularity Board in Florida has stated that the laws as written, are adequate. Now, Sirs, if the laws, as written, are adequate, ask yourself, "Why are you here?" If all of the laws as written, are adequate, there would be no need for "SUNSET REVIEW" of laws, as we have here

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in Florida every ten years; there would be no need for Congress; everybody could go home and live Happily everafter. In a bill before Congress, presented by Honorable Mark Foley, (R-FL) and Honorable Sen. Christopher Dodd, (D, CT.), proposes to Codify the FTC guidelines claiming the present laws governing the Funeral Profession are inadequate. Several trade journals state that Florida Laws are among six State laws being considered for National models. I pray that your Committee will endorse the ESCROW LAWS AS ENACTED BY THE Florida State Legislature, regarding CASH ADVANCE AND REFUND TRANSACTIONS be implemented in the revised National laws, in an effort to LEVEL THE PLAYING FIELD, so that Mom and service providers may continue to provide service to their Bereaved Clients, so that the Bereaved can perform their obligation in a DIGNIFIED AND TIMELY MANNER, and Accountants may report Truth in Accounting, rather than Accepted Accounting, without fear of reprisal from the Government. The survival of existing and Mom and Pop aspiring Funeral Service Providers depends of fair and just treatment by the Government. President Clinton once stated that "The Government will place no stumbling blocks in the paths of honest working citizens". President Bush, Sr. once stated that, "In America, a man profits from the fruits of His labor".. This letter is not a challenge to the Sovereignty of the System, , but an effort seek survival and justice for an egroneous mis-carriage of justice inflicted upon me. I endured a four year Audit by the IRS; like 18 months was by the Criminal Investigation Department. I had operated my business for 27 years, when I was audited by an Agent, who identified himself as a Auditor Trainee and that He

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knew nothing of Funeral Homes operation, until He got the assignment, so, He read up On Funeral Homes and the only expense he found was CASKETS, SO, He demanded "Proof of Purchase of a Casket" for each Body I had handled. He spent two days at the local Vital Statistic Office and accused me of hiding Bodies, when He failed to find all of my Bodies registered there.. Bodies are registered at the place of death. And not necessarily at the place of burial. I did not purchase or sell a casket for every Body handled. Some are purchased at cemeteries; casket stores and at other funeral homes. He called in the CID claiming that I could not be in the financial position I was in and that I had to be operating, or boat, because I was only a high school graduate. He re-adjusted my income to match bank funds, acquired by a recent mortgage. 5 pages will not allow my full concerns. I pray for an opportunity express my concerns before an Authority, who can render a non Biased decision, I need to know, Did I under-report my Income or have I been defeated in life?

The unresolved audit has left me like "waiting for the Waco Team". I live in fear, that I will be shot down, like a common criminal .

I request an opportunity to appear before you at your March 8, 2005 meeting in Tampa, FL.

Sincerely,

Robert L. Creal
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