

103^D CONGRESS
2^D SESSION

S. 2130

To amend the Internal Revenue Code of 1986 to adjust the death benefit limits for certain policies purchased to cover payment of burial expenses or in connection with prearranged funeral expenses.

IN THE SENATE OF THE UNITED STATES

MAY 18 (legislative day, MAY 16), 1994

Mr. DOLE (for himself and Mr. BREAUUX) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to adjust the death benefit limits for certain policies purchased to cover payment of burial expenses or in connection with prearranged funeral expenses.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. ADJUSTMENT OF DEATH BENEFIT LIMITS FOR**
4 **CERTAIN POLICIES.**

5 (a) IN GENERAL.—Subparagraph (C)(i) of section
6 7702(e)(2) of the Internal Revenue Code of 1986 (relating
7 to limited increases in death benefit permitted) is amended

1 by striking “\$5,000” and inserting “\$7,000” and by strik-
 2 ing “\$25,000” and inserting “\$34,000”.

3 (b) INFLATION ADJUSTMENTS.—Section 7702(e) of
 4 the Internal Revenue Code of 1986 (relating to computa-
 5 tional rules) is amended by adding at the end the following
 6 new paragraph:

7 “(3) INFLATION ADJUSTMENT TO DEATH BEN-
 8 EFIT LIMITS FOR YEARS AFTER 1995.—In the case of
 9 any taxable year beginning in a calendar year after
 10 1995, each dollar amount contained in paragraph
 11 (2)(C)(i) shall be increased by an amount equal to—
 12 “(A) such dollar amount, multiplied by
 13 “(B) the cost-of-living adjustment deter-
 14 mined under section 1(f)(3) for the calendar
 15 year in which the taxable year begins, by sub-
 16 stituting ‘calendar year 1994’ for ‘calendar year
 17 1992’ in subparagraph (B) thereof.”

18 (c) CONFORMING AMENDMENT.—Section
 19 72(e)(10)(B) of the Internal Revenue Code of 1986 is
 20 amended by striking “\$25,000” and inserting “\$34,000”.

21 (d) EFFECTIVE DATE.—The amendments made by
 22 this section shall apply to contracts entered into on and
 23 after January 1, 1995.

○