

§7-448. Insubstantial allocations not required

If a trustee determines that an allocation between principal and income required by section 7-449, 7-450, 7-451, 7-452 or 7-455 is insubstantial, the trustee may allocate the entire amount to principal unless one of the circumstances described in section 7-404, subsection 3 applies to the allocation. This power may be exercised by a cotrustee in the circumstances described in section 7-404, subsection 4 and may be released for the reasons and in the manner described in section 7-404, subsection 5. An allocation is presumed to be insubstantial if: [PL 2017, c. 402, Pt. A, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

1. Increase or decrease of less than 10%. The amount of the allocation would increase or decrease net income in an accounting period, as determined before the allocation, by less than 10%; or [PL 2017, c. 402, Pt. A, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

2. Value of asset less than 10%. The value of the asset producing the receipt for which the allocation would be made is less than 10% of the total value of the trust's assets at the beginning of the accounting period.

[PL 2017, c. 402, Pt. A, §2 (NEW); PL 2019, c. 417, Pt. B, §14 (AFF).]

SECTION HISTORY

PL 2017, c. 402, Pt. A, §2 (NEW). PL 2017, c. 402, Pt. F, §1 (AFF). PL 2019, c. 417, Pt. B, §14 (AFF).

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