

Effective 9/1/2024

75A-5-410 Receipts normally apportioned -- Liquidating asset.

(1) As used in this section:

- (a) "Liquidating asset" means an asset whose value will diminish or terminate because the asset is expected to produce receipts for a limited time.
- (b) "Liquidating asset" includes a leasehold, patent, copyright, royalty right, and right to receive payments during a period of more than one year under an arrangement that does not provide for the payment of interest on the unpaid balance.

(2) This section does not apply to a receipt subject to Section 75A-5-401, 75A-5-409, 75A-5-411, 75A-5-412, 75A-5-414, 75A-5-415, 75A-5-416, or 75A-5-503.

(3) A fiduciary shall allocate:

(a) to income:

- (i) a receipt produced by a liquidating asset, to the extent the receipt does not exceed 3% of the value of the asset; or
- (ii) if the fiduciary cannot determine the value of the asset, 10% of the receipt; and

(b) to principal, the balance of the receipt.

Renumbered and Amended by Chapter 364, 2024 General Session