

1 **UNIFORM PRINCIPAL AND INCOME ACT**

2 2004 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Lyle W. Hillyard**

5

LONG TITLE

6 **General Description:**

7 This bill revises the Uniform Principal and Income Act enacted in 1979.

8 **Highlighted Provisions:**

9 This bill:

- 10
- 11 ▶ applies probate administration rules to revocable living trusts;
 - 12 ▶ provides for the allocation of net income from partnership interests under specific
13 circumstances;
 - 14 ▶ allocates between principal and income the income from harvesting and selling
15 timber;
 - 16 ▶ allocates between principal and income the receipts from derivatives, options, and
17 asset-backed securities;
 - 18 ▶ deals with disbursements made because of environmental laws;
 - 19 ▶ specifically addresses deferred compensation in greater detail than the previous
20 version;
 - 21 ▶ changes the percentage used to allocate amounts received from oil and gas; and
 - 22 ▶ eliminates the unproductive property rule for trusts other than marital deduction
23 trusts.

24 **Monies Appropriated in this Bill:**

25 None

26 **Other Special Clauses:**

27 None



28 **Utah Code Sections Affected:**

29 ENACTS:

- 30 **22-3-101**, Utah Code Annotated 1953
- 31 **22-3-102**, Utah Code Annotated 1953
- 32 **22-3-103**, Utah Code Annotated 1953
- 33 **22-3-104**, Utah Code Annotated 1953
- 34 **22-3-105**, Utah Code Annotated 1953
- 35 **22-3-201**, Utah Code Annotated 1953
- 36 **22-3-202**, Utah Code Annotated 1953
- 37 **22-3-301**, Utah Code Annotated 1953
- 38 **22-3-302**, Utah Code Annotated 1953
- 39 **22-3-303**, Utah Code Annotated 1953
- 40 **22-3-401**, Utah Code Annotated 1953
- 41 **22-3-402**, Utah Code Annotated 1953
- 42 **22-3-403**, Utah Code Annotated 1953
- 43 **22-3-404**, Utah Code Annotated 1953
- 44 **22-3-405**, Utah Code Annotated 1953
- 45 **22-3-406**, Utah Code Annotated 1953
- 46 **22-3-407**, Utah Code Annotated 1953
- 47 **22-3-408**, Utah Code Annotated 1953
- 48 **22-3-409**, Utah Code Annotated 1953
- 49 **22-3-410**, Utah Code Annotated 1953
- 50 **22-3-411**, Utah Code Annotated 1953
- 51 **22-3-412**, Utah Code Annotated 1953
- 52 **22-3-413**, Utah Code Annotated 1953
- 53 **22-3-414**, Utah Code Annotated 1953
- 54 **22-3-415**, Utah Code Annotated 1953
- 55 **22-3-501**, Utah Code Annotated 1953
- 56 **22-3-502**, Utah Code Annotated 1953
- 57 **22-3-503**, Utah Code Annotated 1953
- 58 **22-3-504**, Utah Code Annotated 1953

- 59 **22-3-505**, Utah Code Annotated 1953
- 60 **22-3-506**, Utah Code Annotated 1953
- 61 **22-3-601**, Utah Code Annotated 1953
- 62 **22-3-602**, Utah Code Annotated 1953
- 63 **22-3-603**, Utah Code Annotated 1953

64 REPEALS:

- 65 **22-3-1**, as enacted by Chapter 89, Laws of Utah 1979
- 66 **22-3-2**, as enacted by Chapter 89, Laws of Utah 1979
- 67 **22-3-3**, as enacted by Chapter 89, Laws of Utah 1979
- 68 **22-3-4**, as enacted by Chapter 89, Laws of Utah 1979
- 69 **22-3-5**, as enacted by Chapter 89, Laws of Utah 1979
- 70 **22-3-6**, as enacted by Chapter 89, Laws of Utah 1979
- 71 **22-3-7**, as enacted by Chapter 89, Laws of Utah 1979
- 72 **22-3-8**, as enacted by Chapter 89, Laws of Utah 1979
- 73 **22-3-9**, as enacted by Chapter 89, Laws of Utah 1979
- 74 **22-3-10**, as enacted by Chapter 89, Laws of Utah 1979
- 75 **22-3-11**, as enacted by Chapter 89, Laws of Utah 1979
- 76 **22-3-12**, as enacted by Chapter 89, Laws of Utah 1979
- 77 **22-3-13**, as enacted by Chapter 89, Laws of Utah 1979
- 78 **22-3-14**, as enacted by Chapter 89, Laws of Utah 1979
- 79 **22-3-15**, as enacted by Chapter 89, Laws of Utah 1979
- 80 **22-3-16**, as enacted by Chapter 89, Laws of Utah 1979



82 *Be it enacted by the Legislature of the state of Utah:*

83 Section 1. Section **22-3-101** is enacted to read:

84 **CHAPTER 3. UNIFORM PRINCIPAL AND INCOME ACT**

85 **Part 1. Definitions and Fiduciary Duties**

86 **22-3-101. Title.**

87 This chapter is known as the "Uniform Principal and Income Act."

88 Section 2. Section **22-3-102** is enacted to read:

89 **22-3-102. Definitions.**

90 In this chapter:

91 (1) "Accounting period" means a calendar year unless another 12-month period is
92 selected by a fiduciary. The term includes a portion of a calendar year or other 12-month
93 period that begins when an income interest begins or ends when an income interest ends.

94 (2) "Beneficiary" includes, in the case of a decedent's estate, an heir and devisee and, in
95 the case of a trust, an income beneficiary and a remainder beneficiary.

96 (3) "Fiduciary" means a personal representative or a trustee. The term includes an
97 executor, administrator, successor personal representative, special administrator, and a person
98 performing substantially the same function.

99 (4) "Income" means money or property that a fiduciary receives as current return from
100 a principal asset. The term includes a portion of receipts from a sale, exchange, or liquidation
101 of a principal asset, to the extent provided in Part 4.

102 (5) "Income beneficiary" means a person to whom net income of a trust is or may be
103 payable.

104 (6) "Income interest" means the right of an income beneficiary to receive all or part of
105 net income, whether the terms of the trust require it to be distributed or authorize it to be
106 distributed in the trustee's discretion.

107 (7) "Mandatory income interest" means the right of an income beneficiary to receive
108 net income that the terms of the trust require the fiduciary to distribute.

109 (8) "Net income" means the total receipts allocated to income during an accounting
110 period minus the disbursements made from income during the period, plus or minus transfers
111 under this chapter to or from income during the period.

112 (9) "Person" means an individual, corporation, business trust, estate, trust, partnership,
113 limited liability company, association, joint venture, government, governmental subdivision,
114 agency, or instrumentality; public corporation, or any other legal or commercial entity.

115 (10) "Principal" means property held in trust for distribution to a remainder beneficiary
116 when the trust terminates.

117 (11) "Remainder beneficiary" means a person entitled to receive principal when an
118 income interest ends.

119 (12) "Terms of a trust" means the manifestation of the intent of a settlor or decedent
120 with respect to the trust, expressed in a manner that admits of its proof in a judicial proceeding.

121 whether by written or spoken words or by conduct.

122 (13) "Trustee" includes an original, additional, or successor trustee, whether or not
123 appointed or confirmed by a court.

124 Section 3. Section **22-3-103** is enacted to read:

125 **22-3-103. Fiduciary duties -- General principles.**

126 (1) In allocating receipts and disbursements to or between principal and income, and
127 with respect to any matter within the scope of Parts 2 and 3, a fiduciary:

128 (a) shall administer a trust or estate in accordance with the terms of the trust or the will,
129 even if there is a different provision in this chapter;

130 (b) may administer a trust or estate by the exercise of a discretionary power of
131 administration given to the fiduciary by the terms of the trust or the will, even if the exercise of
132 the power produces a result different from a result required or permitted by this chapter;

133 (c) shall administer a trust or estate in accordance with this chapter if the terms of the
134 trust or the will do not contain a different provision or do not give the fiduciary a discretionary
135 power of administration; and

136 (d) shall add a receipt or charge a disbursement to principal to the extent that the terms
137 of the trust and this chapter do not provide a rule for allocating the receipt or disbursement to
138 or between principal and income.

139 (2) In exercising the power to adjust under Subsection 22-3-104(1) or a discretionary
140 power of administration regarding a matter within the scope of this chapter, whether granted by
141 the terms of a trust, a will, or this chapter, a fiduciary shall administer a trust or estate
142 impartially, based on what is fair and reasonable to all of the beneficiaries, except to the extent
143 that the terms of the trust or the will clearly manifest an intention that the fiduciary shall or may
144 favor one or more of the beneficiaries. A determination in accordance with this chapter is
145 presumed to be fair and reasonable to all of the beneficiaries.

146 Section 4. Section **22-3-104** is enacted to read:

147 **22-3-104. Trustee's power to adjust.**

148 (1) A trustee may adjust between principal and income to the extent the trustee
149 considers necessary if the trustee invests and manages trust assets as a prudent investor, the
150 terms of the trust describe the amount that may or must be distributed to a beneficiary by
151 referring to the trust's income, and the trustee determines, after applying the rules in Subsection

152 22-3-103(1), that the trustee is unable to comply with Subsection 22-3-103(2).

153 (2) In deciding whether and to what extent to exercise the power conferred by
154 Subsection (1), a trustee shall consider all factors relevant to the trust and its beneficiaries,
155 including the following factors to the extent they are relevant:

156 (a) the nature, purpose, and expected duration of the trust;

157 (b) the intent of the settlor;

158 (c) the identity and circumstances of the beneficiaries;

159 (d) the needs for liquidity, regularity of income, and preservation and appreciation of
160 capital;

161 (e) the assets held in the trust; the extent to which they consist of financial assets,
162 interests in closely held enterprises, tangible and intangible personal property, or real property;
163 the extent to which an asset is used by a beneficiary; and whether an asset was purchased by the
164 trustee or received from the settlor;

165 (f) the net amount allocated to income under the other sections of this chapter and the
166 increase or decrease in the value of the principal assets, which the trustee may estimate as to
167 assets for which market values are not readily available;

168 (g) whether and to what extent the terms of the trust give the trustee the power to
169 invade principal or accumulate income or prohibit the trustee from invading principal or
170 accumulating income, and the extent to which the trustee has exercised a power from time to
171 time to invade principal or accumulate income;

172 (h) the actual and anticipated effect of economic conditions on principal and income
173 and effects of inflation and deflation; and

174 (i) the anticipated tax consequences of an adjustment.

175 (3) A trustee may not make an adjustment:

176 (a) that diminishes the income interest in a trust that requires all of the income to be
177 paid at least annually to a spouse and for which an estate tax or gift tax marital deduction
178 would be allowed, in whole or in part, if the trustee did not have the power to make the
179 adjustment;

180 (b) that reduces the actuarial value of the income interest in a trust to which a person
181 transfers property with the intent to qualify for a gift tax exclusion;

182 (c) that changes the amount payable to a beneficiary as a fixed annuity or a fixed

183 fraction of the value of the trust assets;

184 (d) from any amount that is permanently set aside for charitable purposes under a will
185 or the terms of a trust unless both income and principal are so set aside;

186 (e) if possessing or exercising the power to make an adjustment causes an individual to
187 be treated as the owner of all or part of the trust for income tax purposes, and the individual
188 would not be treated as the owner if the trustee did not possess the power to make an
189 adjustment;

190 (f) if possessing or exercising the power to make an adjustment causes all or part of the
191 trust assets to be included for estate tax purposes in the estate of an individual who has the
192 power to remove a trustee or appoint a trustee, or both, and the assets would not be included in
193 the estate of the individual if the trustee did not possess the power to make an adjustment;

194 (g) if the trustee is a beneficiary of the trust; or

195 (h) if the trustee is not a beneficiary, but the adjustment would benefit the trustee
196 directly or indirectly.

197 (4) If Subsection (3)(e), (f), (g), or (h) applies to a trustee and there is more than one
198 trustee, a cotrustee to whom the provision does not apply may make the adjustment unless the
199 exercise of the power by the remaining trustee or trustees is not permitted by the terms of the
200 trust.

201 (5) A trustee may release the entire power conferred by Subsection (1) or may release
202 only the power to adjust from income to principal or the power to adjust from principal to
203 income if the trustee is uncertain about whether possessing or exercising the power will cause a
204 result described in Subsections (3)(a) through (f) or Subsection (3)(h) or if the trustee
205 determines that possessing or exercising the power will or may deprive the trust of a tax benefit
206 or impose a tax burden not described in Subsection (3). The release may be permanent or for a
207 specified period, including a period measured by the life of an individual.

208 (6) Terms of a trust that limit the power of a trustee to make an adjustment between
209 principal and income do not affect the application of this section unless it is clear from the
210 terms of the trust that the terms are intended to deny the trustee the power of adjustment
211 conferred by Subsection (1).

212 Section 5. Section **22-3-105** is enacted to read:

213 **22-3-105. Judicial control of discretionary power.**

214 (1) The court may not order a fiduciary to change a decision to exercise or not to
215 exercise a discretionary power conferred by this chapter unless it determines that the decision
216 was an abuse of the fiduciary's discretion. A fiduciary's decision is not an abuse of discretion
217 merely because the court would have exercised the power in a different manner or would not
218 have exercised the power.

219 (2) The decisions to which Subsection (1) applies include:

220 (a) A decision under Subsection 22-3-104(1) as to whether and to what extent an
221 amount should be transferred from principal to income or from income to principal.

222 (b) A decision regarding the factors that are relevant to the trust and its beneficiaries,
223 the extent to which the factors are relevant, and the weight, if any, to be given to those factors,
224 in deciding whether and to what extent to exercise the discretionary power conferred by
225 Subsection 22-3-104(1).

226 (3) If the court determines that a fiduciary has abused the fiduciary's discretion, the
227 court may place the income and remainder beneficiaries in the positions they would have
228 occupied if the discretion had not been abused, according to the following rules:

229 (a) To the extent that the abuse of discretion has resulted in no distribution to a
230 beneficiary or in a distribution that is too small, the court shall order the fiduciary to distribute
231 from the trust to the beneficiary an amount that the court determines will restore the
232 beneficiary, in whole or in part, to the beneficiary's appropriate position.

233 (b) To the extent that the abuse of discretion has resulted in a distribution to a
234 beneficiary which is too large, the court shall place the beneficiaries, the trust, or both, in whole
235 or in part, in their appropriate positions by ordering the fiduciary to withhold an amount from
236 one or more future distributions to the beneficiary who received the distribution that was too
237 large or ordering that beneficiary to return some or all of the distribution to the trust.

238 (c) To the extent that the court is unable, after applying Subsections (3)(a) and (b), to
239 place the beneficiaries, the trust, or both, in the positions they would have occupied if the
240 discretion had not been abused, the court may order the fiduciary to pay an appropriate amount
241 from its own funds to one or more of the beneficiaries or the trust or both.

242 (4) Upon petition by the fiduciary, the court having jurisdiction over a trust or estate
243 shall determine whether a proposed exercise or nonexercise by the fiduciary of a discretionary
244 power conferred by this chapter will result in an abuse of the fiduciary's discretion. If the

245 petition describes the proposed exercise or nonexercise of the power and contains sufficient
246 information to inform the beneficiaries of the reasons for the proposal, the facts upon which the
247 fiduciary relies, and an explanation of how the income and remainder beneficiaries will be
248 affected by the proposed exercise or nonexercise of the power, a beneficiary who challenges
249 the proposed exercise or nonexercise has the burden of establishing that it will result in an
250 abuse of discretion.

251 Section 6. Section **22-3-201** is enacted to read:

252 **Part 2. Decedent's Estate or Terminating Income Interest**

253 **22-3-201. Determination and distribution of net income.**

254 After a decedent dies, in the case of an estate, or after an income interest in a trust ends,
255 the following rules apply:

256 (1) A fiduciary of an estate or of a terminating income interest shall determine the
257 amount of net income and net principal receipts received from property specifically given to a
258 beneficiary under the rules in Parts 3 through 5 which apply to trustees and the rules in
259 Subsection (5). The fiduciary shall distribute the net income and net principal receipts to the
260 beneficiary who is to receive the specific property.

261 (2) A fiduciary shall determine the remaining net income of a decedent's estate or a
262 terminating income interest under the rules in Parts 3 through 5 which apply to trustees and by:

263 (a) including in net income all income from property used to discharge liabilities;

264 (b) paying from income or principal, in the fiduciary's discretion, fees of attorneys,
265 accountants, and fiduciaries; court costs and other expenses of administration; and interest on
266 death taxes, but the fiduciary may pay those expenses from income of property passing to a
267 trust for which the fiduciary claims an estate tax marital or charitable deduction only to the
268 extent that the payment of those expenses from income will not cause the reduction or loss of
269 the deduction; and

270 (c) paying from principal all other disbursements made or incurred in connection with
271 the settlement of a decedent's estate or the winding up of a terminating income interest,
272 including debts, funeral expenses, disposition of remains, family allowances, and death taxes
273 and related penalties that are apportioned to the estate or terminating income interest by the
274 will, the terms of the trust, or applicable law.

275 (3) A fiduciary shall distribute to a beneficiary who receives a pecuniary amount

276 outright, the interest or any other amount provided by the will, the terms of the trust, or
277 applicable law from net income determined under Subsection (2) or from principal to the extent
278 that net income is insufficient. If a beneficiary is to receive a pecuniary amount outright from a
279 trust after an income interest ends and no interest or other amount is provided for by the terms
280 of the trust or applicable law, the fiduciary shall distribute the interest or other amount to which
281 the beneficiary would be entitled under applicable law if the pecuniary amount were required to
282 be paid under a will.

283 (4) A fiduciary shall distribute the net income remaining after distributions required by
284 Subsection (3) in the manner described in Section 22-3-202 to all other beneficiaries, including
285 a beneficiary who receives a pecuniary amount in trust, even if the beneficiary holds an
286 unqualified power to withdraw assets from the trust or other presently exercisable general
287 power of appointment over the trust.

288 (5) A fiduciary may not reduce principal or income receipts from property described in
289 Subsection (1) because of a payment described in Section 22-3-501 or 22-3-502 to the extent
290 that the will, the terms of the trust, or applicable law requires the fiduciary to make the
291 payment from assets other than the property or to the extent that the fiduciary recovers or
292 expects to recover the payment from a third party. The net income and principal receipts from
293 the property are determined by including all of the amounts the fiduciary receives or pays with
294 respect to the property, whether those amounts accrued or became due before, on, or after the
295 date of a decedent's death or an income interest's terminating event, and by making a
296 reasonable provision for amounts that the fiduciary believes the estate or terminating income
297 interest may become obligated to pay after the property is distributed.

298 Section 7. Section **22-3-202** is enacted to read:

299 **22-3-202. Distribution to residuary and remainder beneficiaries.**

300 (1) Each beneficiary described in Subsection 22-3-201(4) is entitled to receive a
301 portion of the net income equal to the beneficiary's fractional interest in undistributed principal
302 assets, using values as of the distribution date. If a fiduciary makes more than one distribution
303 of assets to beneficiaries to whom this section applies, each beneficiary, including one who
304 does not receive part of the distribution, is entitled, as of each distribution date, to the net
305 income the fiduciary has received after the date of death or terminating event or earlier
306 distribution date but has not distributed as of the current distribution date.

307 (2) In determining a beneficiary's share of net income, the following rules apply:

308 (a) The beneficiary is entitled to receive a portion of the net income equal to the
309 beneficiary's fractional interest in the undistributed principal assets immediately before the
310 distribution date, including assets that later may be sold to meet principal obligations.

311 (b) The beneficiary's fractional interest in the undistributed principal assets must be
312 calculated without regard to property specifically given to a beneficiary and property required
313 to pay pecuniary amounts not in trust.

314 (c) The beneficiary's fractional interest in the undistributed principal assets must be
315 calculated on the basis of the aggregate value of those assets as of the distribution date without
316 reducing the value by any unpaid principal obligation.

317 (d) The distribution date for purposes of this section may be the date as of which the
318 fiduciary calculates the value of the assets if that date is reasonably near the date on which
319 assets are actually distributed.

320 (3) If a fiduciary does not distribute all of the collected but undistributed net income to
321 each person as of a distribution date, the fiduciary shall maintain appropriate records showing
322 the interest of each beneficiary in that net income.

323 (4) A fiduciary may apply the rules in this section, to the extent that the fiduciary
324 considers it appropriate, to net gain or loss realized after the date of death or terminating event
325 or earlier distribution date from the disposition of a principal asset if this section applies to the
326 income from the asset.

327 Section 8. Section **22-3-301** is enacted to read:

328 **Part 3. Apportionment at Beginning and End of Income Interest**

329 **22-3-301. When right to income begins and ends.**

330 (1) An income beneficiary is entitled to net income from the date on which the income
331 interest begins. An income interest begins on the date specified in the terms of the trust or, if
332 no date is specified, on the date an asset becomes subject to a trust or successive income
333 interest.

334 (2) An asset becomes subject to a trust:

335 (a) on the date it is transferred to the trust in the case of an asset that is transferred to a
336 trust during the transferor's life;

337 (b) on the date of a testator's death in the case of an asset that becomes subject to a trust

338 by reason of a will, even if there is an intervening period of administration of the testator's
339 estate; or

340 (c) on the date of an individual's death in the case of an asset that is transferred to a
341 fiduciary by a third party because of the individual's death.

342 (3) An asset becomes subject to a successive income interest on the day after the
343 preceding income interest ends, as determined under Subsection (4), even if there is an
344 intervening period of administration to wind up the preceding income interest.

345 (4) An income interest ends on the day before an income beneficiary dies or another
346 terminating event occurs, or on the last day of a period during which there is no beneficiary to
347 whom a trustee may distribute income.

348 Section 9. Section **22-3-302** is enacted to read:

349 **22-3-302. Apportionment of receipts and disbursements when decedent dies or**
350 **income interest begins.**

351 (1) A trustee shall allocate an income receipt or disbursement other than one to which
352 Subsection 22-3-201(1) applies to principal if its due date occurs before a decedent dies in the
353 case of an estate or before an income interest begins in the case of a trust or successive income
354 interest.

355 (2) A trustee shall allocate an income receipt or disbursement to income if its due date
356 occurs on or after the date on which a decedent dies or an income interest begins and it is a
357 periodic due date. An income receipt or disbursement must be treated as accruing from day to
358 day if its due date is not periodic or it has no due date. The portion of the receipt or
359 disbursement accruing before the date on which a decedent dies or an income interest begins
360 must be allocated to principal and the balance must be allocated to income.

361 (3) An item of income or an obligation is due on the date the payer is required to make
362 a payment. If a payment date is not stated, there is no due date for the purposes of this chapter.
363 Distributions to shareholders or other owners from an entity to which Section 22-3-401 applies
364 are considered to be due on the date fixed by the entity for determining who is entitled to
365 receive the distribution or, if no date is fixed, on the declaration date for the distribution. A
366 due date is periodic for receipts or disbursements that must be paid at regular intervals under a
367 lease or an obligation to pay interest or if an entity customarily makes distributions at regular
368 intervals.

369 Section 10. Section **22-3-303** is enacted to read:

370 **22-3-303. Apportionment when income interest ends.**

371 (1) In this section, "undistributed income" means net income received before the date
372 on which an income interest ends. The term does not include an item of income or expense
373 that is due or accrued or net income that has been added or is required to be added to principal
374 under the terms of the trust.

375 (2) When a mandatory income interest ends, the trustee shall pay to a mandatory
376 income beneficiary who survives that date, or the estate of a deceased mandatory income
377 beneficiary whose death causes the interest to end, the beneficiary's share of the undistributed
378 income that is not disposed of under the terms of the trust unless the beneficiary has an
379 unqualified power to revoke more than 5% of the trust immediately before the income interest
380 ends. In the latter case, the undistributed income from the portion of the trust that may be
381 revoked must be added to principal.

382 (3) When a trustee's obligation to pay a fixed annuity or a fixed fraction of the value of
383 the trust's assets ends, the trustee shall prorate the final payment if and to the extent required by
384 applicable law to accomplish a purpose of the trust or its settlor relating to income, gift, estate,
385 or other tax requirements.

386 Section 11. Section **22-3-401** is enacted to read:

387 **Part 4. Allocation of Receipts During Administration of Trust**

388 **22-3-401. Receipts from entities -- Character of receipts.**

389 (1) In this section, "entity" means a corporation, partnership, limited liability company,
390 regulated investment company, real estate investment trust, common trust fund, or any other
391 organization in which a trustee has an interest other than a trust or estate to which Section
392 22-3-402 applies, a business or activity to which Section 22-3-403 applies, or an asset-backed
393 security to which Section 22-3-415 applies.

394 (2) Except as otherwise provided in this section, a trustee shall allocate to income
395 money received from an entity.

396 (3) A trustee shall allocate the following receipts from an entity to principal:

397 (a) property other than money;

398 (b) money received in one distribution or a series of related distributions in exchange
399 for part or all of a trust's interest in the entity;

400 (c) money received in total or partial liquidation of the entity; and
401 (d) money received from an entity that is a regulated investment company or a real
402 estate investment trust if the money distributed is a capital gain dividend for federal income tax
403 purposes.

404 (4) Money is received in partial liquidation:

405 (a) to the extent that the entity, at or near the time of a distribution, indicates that it is a
406 distribution in partial liquidation; or

407 (b) if the total amount of money and property received in a distribution or series of
408 related distributions is greater than 20% of the entity's gross assets, as shown by the entity's
409 year-end financial statements immediately preceding the initial receipt.

410 (5) Money is not received in partial liquidation, nor may it be taken into account under
411 Subsection (4)(b), to the extent that it does not exceed the amount of income tax that a trustee
412 or beneficiary must pay on taxable income of the entity that distributes the money.

413 (6) A trustee may rely upon a statement made by an entity about the source or character
414 of a distribution if the statement is made at or near the time of distribution by the entity's board
415 of directors or other person or group of persons authorized to exercise powers to pay money or
416 transfer property comparable to those of a corporation's board of directors.

417 Section 12. Section **22-3-402** is enacted to read:

418 **22-3-402. Receipts from entities -- Distribution from trust or estate.**

419 A trustee shall allocate to income an amount received as a distribution of income from a
420 trust or an estate in which the trust has an interest other than a purchased interest, and shall
421 allocate to principal an amount received as a distribution of principal from such a trust or
422 estate. If a trustee purchases an interest in a trust that is an investment entity, or a decedent or
423 donor transfers an interest in such a trust to a trustee, Section 22-3-401 or 22-3-415 applies to a
424 receipt from the trust.

425 Section 13. Section **22-3-403** is enacted to read:

426 **22-3-403. Receipts from entities -- Business and other activities conducted by**
427 **trustee.**

428 (1) If a trustee who conducts a business or other activity determines that it is in the best
429 interest of all the beneficiaries to account separately for the business or activity instead of
430 accounting for it as part of the trust's general accounting records, the trustee may maintain

431 separate accounting records for its transactions, whether or not its assets are segregated from
432 other trust assets.

433 (2) A trustee who accounts separately for a business or other activity may determine
434 the extent to which its net cash receipts must be retained for working capital, the acquisition or
435 replacement of fixed assets, and other reasonably foreseeable needs of the business or activity,
436 and the extent to which the remaining net cash receipts are accounted for as principal or
437 income in the trust's general accounting records. If a trustee sells assets of the business or other
438 activity, other than in the ordinary course of the business or activity, the trustee shall account
439 for the net amount received as principal in the trust's general accounting records to the extent
440 the trustee determines that the amount received is no longer required in the conduct of the
441 business.

442 (3) Activities for which a trustee may maintain separate accounting records include:

443 (a) retail, manufacturing, service, and other traditional business activities;

444 (b) farming;

445 (c) raising and selling livestock and other animals;

446 (d) management of rental properties;

447 (e) extraction of minerals and other natural resources;

448 (f) timber operations; and

449 (g) activities to which Section 22-3-414 applies.

450 Section 14. Section **22-3-404** is enacted to read:

451 **22-3-404. Receipts not normally apportioned -- Principal receipts.**

452 A trustee shall allocate to principal:

453 (1) to the extent not allocated to income under this chapter, assets received from a
454 transferor during the transferor's lifetime, a decedent's estate, a trust with a terminating income
455 interest, or a payer under a contract naming the trust or its trustee as beneficiary;

456 (2) money or other property received from the sale, exchange, liquidation, or change in
457 form of a principal asset, including realized profit, subject to this part;

458 (3) amounts recovered from third parties to reimburse the trust because of
459 disbursements described in Subsection 22-3-502(1)(g) or for other reasons to the extent not
460 based on the loss of income;

461 (4) proceeds of property taken by eminent domain, but a separate award made for the

462 loss of income with respect to an accounting period during which a current income beneficiary
463 had a mandatory income interest is income;

464 (5) net income received in an accounting period during which there is no beneficiary to
465 whom a trustee may or must distribute income; and

466 (6) other receipts as provided in Sections 22-3-408 through 22-3-415.

467 Section 15. Section **22-3-405** is enacted to read:

468 **22-3-405. Receipts not normally apportioned -- Rental property.**

469 To the extent that a trustee accounts for receipts from rental property pursuant to this
470 section, the trustee shall allocate to income an amount received as rent of real or personal
471 property, including an amount received for cancellation or renewal of a lease. An amount
472 received as a refundable deposit, including a security deposit or a deposit that is to be applied
473 as rent for future periods, must be added to principal and held subject to the terms of the lease
474 and is not available for distribution to a beneficiary until the trustee's contractual obligations
475 have been satisfied with respect to that amount.

476 Section 16. Section **22-3-406** is enacted to read:

477 **22-3-406. Receipts not normally apportioned -- Obligation to pay money.**

478 (1) An amount received as interest, whether determined at a fixed, variable, or floating
479 rate, on an obligation to pay money to the trustee, including an amount received as
480 consideration for prepaying principal, must be allocated to income without any provision for
481 amortization of premium.

482 (2) A trustee shall allocate to principal an amount received from the sale, redemption,
483 or other disposition of an obligation to pay money to the trustee more than one year after it is
484 purchased or acquired by the trustee, including an obligation whose purchase price or value
485 when it is acquired is less than its value at maturity. If the obligation matures within one year
486 after it is purchased or acquired by the trustee, an amount received in excess of its purchase
487 price or its value when acquired by the trust must be allocated to income.

488 (3) This section does not apply to an obligation to which Section 22-3-409, 22-3-410,
489 22-3-411, 22-3-412, 22-3-414, or 22-3-415 applies.

490 Section 17. Section **22-3-407** is enacted to read:

491 **22-3-407. Receipts not normally apportioned -- Insurance policies and similar**
492 **contracts.**

493 (1) Except as otherwise provided in Subsection (2), a trustee shall allocate to principal
494 the proceeds of a life insurance policy or other contract in which the trust or its trustee is
495 named as beneficiary, including a contract that insures the trust or its trustee against loss for
496 damage to, destruction of, or loss of title to a trust asset. The trustee shall allocate dividends on
497 an insurance policy to income if the premiums on the policy are paid from income, and to
498 principal if the premiums are paid from principal.

499 (2) A trustee shall allocate to income proceeds of a contract that insures the trustee
500 against loss of occupancy or other use by an income beneficiary, loss of income, or, subject to
501 Section 22-3-403, loss of profits from a business.

502 (3) This section does not apply to a contract to which Section 22-3-409 applies.

503 Section 18. Section **22-3-408** is enacted to read:

504 **22-3-408. Receipts normally apportioned -- Insubstantial allocations not required.**

505 If a trustee determines that an allocation between principal and income required by
506 Section 22-3-409, 22-3-410, 22-3-411, 22-3-412, or 22-3-415 is insubstantial, the trustee may
507 allocate the entire amount to principal unless one of the circumstances described in Subsection
508 22-3-104(3) applies to the allocation. This power may be exercised by a cotrustee in the
509 circumstances described in Subsection 22-3-104(4) and may be released for the reasons and in
510 the manner described in Subsection 22-3-104(5). An allocation is presumed to be insubstantial
511 if:

512 (1) the amount of the allocation would increase or decrease net income in an
513 accounting period, as determined before the allocation, by less than 10%; or

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

516 Section 19. Section **22-3-409** is enacted to read:

517 **22-3-409. Receipts normally apportioned -- Deferred compensation, annuities,**
518 **and similar payments.**

519 (1) In this section, "payment" means a payment that a trustee may receive over a fixed
520 number of years or during the life of one or more individuals because of services rendered or
521 property transferred to the payer in exchange for future payments. The term includes a
522 payment made in money or property from the payer's general assets or from a separate fund
523 created by the payer, including a private or commercial annuity, an individual retirement

524 account, and a pension, profit-sharing, stock-bonus, or stock-ownership plan.

525 (2) To the extent that a payment is characterized as interest or a dividend or a payment
526 made in lieu of interest or a dividend, a trustee shall allocate it to income. The trustee shall
527 allocate to principal the balance of the payment and any other payment received in the same
528 accounting period that is not characterized as interest, a dividend, or an equivalent payment.

529 (3) If no part of a payment is characterized as interest, a dividend, or an equivalent
530 payment, and all or part of the payment is required to be made, a trustee shall allocate to
531 income 10% of the part that is required to be made during the accounting period and the
532 balance to principal. If no part of a payment is required to be made or the payment received is
533 the entire amount to which the trustee is entitled, the trustee shall allocate the entire payment to
534 principal. For purposes of this Subsection (3), a payment is not "required to be made" to the
535 extent that it is made because the trustee exercises a right of withdrawal.

536 (4) If, to obtain an estate tax marital deduction for a trust, a trustee must allocate more
537 of a payment to income than provided for by this section, the trustee shall allocate to income
538 the additional amount necessary to obtain the marital deduction.

539 (5) This section does not apply to payments to which Section 22-3-410 applies.

540 Section 20. Section **22-3-410** is enacted to read:

541 **22-3-410. Receipts normally apportioned -- Liquidating asset.**

542 (1) In this section, "liquidating asset" means an asset whose value will diminish or
543 terminate because the asset is expected to produce receipts for a period of limited duration.
544 The term includes a leasehold, patent, copyright, royalty right, and right to receive payments
545 during a period of more than one year under an arrangement that does not provide for the
546 payment of interest on the unpaid balance. The term does not include a payment subject to
547 Section 22-3-409, resources subject to Section 22-3-411, timber subject to Section 22-3-412,
548 an activity subject to Section 22-3-414, an asset subject to Section 22-3-415, or any asset for
549 which the trustee establishes a reserve for depreciation under Section 22-3-503.

550 (2) A trustee shall allocate to income 10% of the receipts from a liquidating asset and
551 the balance to principal.

552 Section 21. Section **22-3-411** is enacted to read:

553 **22-3-411. Receipts normally apportioned -- Minerals, water, and other natural**
554 **resources.**

555 (1) To the extent that a trustee accounts for receipts from an interest in minerals or
556 other natural resources pursuant to this section, the trustee shall allocate them as follows:

557 (a) If received as nominal delay rental or nominal annual rent on a lease, a receipt must
558 be allocated to income.

559 (b) If received from a production payment, a receipt must be allocated to income if and
560 to the extent that the agreement creating the production payment provides a factor for interest
561 or its equivalent. The balance must be allocated to principal.

562 (c) If an amount received as a royalty, shut-in-well payment, take-or-pay payment,
563 bonus, or delay rental is more than nominal, 90% must be allocated to principal and the balance
564 to income.

565 (d) If an amount is received from a working interest or any other interest not provided
566 for in Subsection (1)(a), (b), or (c), 90% of the net amount received must be allocated to
567 principal and the balance to income.

568 (2) An amount received on account of an interest in water that is renewable must be
569 allocated to income. If the water is not renewable, 90% of the amount must be allocated to
570 principal and the balance to income.

571 (3) This chapter applies whether or not a decedent or donor was extracting minerals,
572 water, or other natural resources before the interest became subject to the trust.

573 (4) If a trust owns an interest in minerals, water, or other natural resources on May 3,
574 2004, the trustee may allocate receipts from the interest as provided in this chapter or in the
575 manner used by the trustee before May 3, 2004. If the trust acquires an interest in minerals,
576 water, or other natural resources after May 3, 2004, the trustee shall allocate receipts from the
577 interest as provided in this chapter.

578 Section 22. Section **22-3-412** is enacted to read:

579 **22-3-412. Receipts normally apportioned -- Timber.**

580 (1) To the extent that a trustee accounts for receipts from the sale of timber and related
581 products pursuant to this section, the trustee shall allocate the net receipts:

582 (a) to income to the extent that the amount of timber removed from the land does not
583 exceed the rate of growth of the timber during the accounting periods in which a beneficiary
584 has a mandatory income interest;

585 (b) to principal to the extent that the amount of timber removed from the land exceeds

586 the rate of growth of the timber or the net receipts are from the sale of standing timber;

587 (c) to or between income and principal if the net receipts are from the lease of
588 timberland or from a contract to cut timber from land owned by a trust, by determining the
589 amount of timber removed from the land under the lease or contract and applying the rules in
590 Subsections 22-3-411(1)(a) and (b); or

591 (d) to principal to the extent that advance payments, bonuses, and other payments are
592 not allocated pursuant to Subsection 22-3-411(1)(a), (b), or (c).

593 (2) In determining net receipts to be allocated pursuant to Subsection 22-3-411(1), a
594 trustee shall deduct and transfer to principal a reasonable amount for depletion.

595 (3) This chapter applies whether or not a decedent or transferor was harvesting timber
596 from the property before it became subject to the trust.

597 (4) If a trust owns an interest in timberland on May 3, 2004, the trustee may allocate
598 net receipts from the sale of timber and related products as provided in this chapter or in the
599 manner used by the trustee before May 3, 2004. If the trust acquires an interest in timberland
600 after May 3, 2004, the trustee shall allocate net receipts from the sale of timber and related
601 products as provided in this chapter.

602 Section 23. Section **22-3-413** is enacted to read:

603 **22-3-413. Receipts normally apportioned -- Property not productive of income.**

604 (1) If a marital deduction is allowed for all or part of a trust whose assets consist
605 substantially of property that does not provide the spouse with sufficient income from or use of
606 the trust assets, and if the amounts that the trustee transfers from principal to income under
607 Section 22-3-104 and distributes to the spouse from principal pursuant to the terms of the trust
608 are insufficient to provide the spouse with the beneficial enjoyment required to obtain the
609 marital deduction, the spouse may require the trustee to make property productive of income,
610 convert property within a reasonable time, or exercise the power conferred by Subsection
611 22-3-104(1). The trustee may decide which action or combination of actions to take.

612 (2) In cases not governed by Subsection (1), proceeds from the sale or other disposition
613 of an asset are principal without regard to the amount of income the asset produces during any
614 accounting period.

615 Section 24. Section **22-3-414** is enacted to read:

616 **22-3-414. Receipts normally apportioned -- Derivatives and options.**

617 (1) In this section, "derivative" means a contract or financial instrument or a
618 combination of contracts and financial instruments which gives a trust the right or obligation to
619 participate in some or all changes in the price of a tangible or intangible asset or group of
620 assets, or changes in a rate, an index of prices or rates, or other market indicator for an asset or
621 a group of assets.

622 (2) To the extent that a trustee does not account under Section 22-3-403 for
623 transactions in derivatives, the trustee shall allocate to principal receipts from and
624 disbursements made in connection with those transactions.

625 (3) If a trustee grants an option to buy property from the trust, whether or not the trust
626 owns the property when the option is granted, grants an option that permits another person to
627 sell property to the trust, or acquires an option to buy property for the trust or an option to sell
628 an asset owned by the trust, and the trustee or other owner of the asset is required to deliver the
629 asset if the option is exercised, an amount received for granting the option must be allocated to
630 principal. An amount paid to acquire the option must be paid from principal. A gain or loss
631 realized upon the exercise of an option, including an option granted to a settlor of the trust for
632 services rendered, must be allocated to principal.

633 Section 25. Section **22-3-415** is enacted to read:

634 **22-3-415. Receipts normally apportioned -- Asset-backed securities.**

635 (1) In this section, "asset-backed security" means an asset whose value is based upon
636 the right it gives the owner to receive distributions from the proceeds of financial assets that
637 provide collateral for the security. The term includes an asset that gives the owner the right to
638 receive from the collateral financial assets only the interest or other current return or only the
639 proceeds other than interest or current return. The term does not include an asset to which
640 Section 22-3-401 or 22-3-409 applies.

641 (2) If a trust receives a payment from interest or other current return and from other
642 proceeds of the collateral financial assets, the trustee shall allocate to income the portion of the
643 payment which the payer identifies as being from interest or other current return and shall
644 allocate the balance of the payment to principal.

645 (3) If a trust receives one or more payments in exchange for the trust's entire interest in
646 an asset-backed security in one accounting period, the trustee shall allocate the payments to
647 principal. If a payment is one of a series of payments that will result in the liquidation of the

648 trust's interest in the security over more than one accounting period, the trustee shall allocate
649 10% of the payment to income and the balance to principal.

650 Section 26. Section **22-3-501** is enacted to read:

651 **Part 5. Allocation of Disbursements During Administration of Trust**

652 **22-3-501. Disbursements from income.**

653 A trustee shall make the following disbursements from income to the extent that they
654 are not disbursements to which Subsection 22-3-201(2)(b) or (c) applies:

655 (1) 1/2 of the regular compensation of the trustee and of any person providing
656 investment advisory or custodial services to the trustee;

657 (2) 1/2 of all expenses for accountings, judicial proceedings, or other matters that
658 involve both the income and remainder interests;

659 (3) all of the other ordinary expenses incurred in connection with the administration,
660 management, or preservation of trust property and the distribution of income, including
661 interest, ordinary repairs, regularly recurring taxes assessed against principal, and expenses of a
662 proceeding or other matter that concerns primarily the income interest; and

663 (4) recurring premiums on insurance covering the loss of a principal asset or the loss of
664 income from or use of the asset.

665 Section 27. Section **22-3-502** is enacted to read:

666 **22-3-502. Disbursements from principal.**

667 (1) A trustee shall make the following disbursements from principal:

668 (a) the remaining 1/2 of the disbursements described in Subsections 22-3-501(1) and
669 (2);

670 (b) all of the trustee's compensation calculated on principal as a fee for acceptance,
671 distribution, or termination, and disbursements made to prepare property for sale;

672 (c) payments on the principal of a trust debt;

673 (d) expenses of a proceeding that concerns primarily principal, including a proceeding
674 to construe the trust or to protect the trust or its property;

675 (e) premiums paid on a policy of insurance not described in Subsection 22-3-501(4) of
676 which the trust is the owner and beneficiary;

677 (f) estate, inheritance, and other transfer taxes, including penalties, apportioned to the
678 trust; and

679 (g) disbursements related to environmental matters, including reclamation, assessing
680 environmental conditions, remedying and removing environmental contamination, monitoring
681 remedial activities and the release of substances, preventing future releases of substances,
682 collecting amounts from persons liable or potentially liable for the costs of those activities,
683 penalties imposed under environmental laws or regulations and other payments made to
684 comply with those laws or regulations, statutory or common law claims by third parties, and
685 defending claims based on environmental matters.

686 (2) If a principal asset is encumbered with an obligation that requires income from that
687 asset to be paid directly to the creditor, the trustee shall transfer from principal to income an
688 amount equal to the income paid to the creditor in reduction of the principal balance of the
689 obligation.

690 Section 28. Section **22-3-503** is enacted to read:

691 **22-3-503. Transfers from income to principal for depreciation.**

692 (1) In this section, "depreciation" means a reduction in value due to wear, tear, decay,
693 corrosion, or gradual obsolescence of a fixed asset having a useful life of more than one year.

694 (2) A trustee may transfer to principal a reasonable amount of the net cash receipts
695 from a principal asset that is subject to depreciation, but may not transfer any amount for
696 depreciation:

697 (a) of that portion of real property used or available for use by a beneficiary as a
698 residence or of tangible personal property held or made available for the personal use or
699 enjoyment of a beneficiary;

700 (b) during the administration of a decedent's estate; or

701 (c) under this section if the trustee is accounting under Section 22-3-403 for the
702 business or activity in which the asset is used.

703 (3) An amount transferred to principal need not be held as a separate fund.

704 Section 29. Section **22-3-504** is enacted to read:

705 **22-3-504. Transfers from income to reimburse principal.**

706 (1) If a trustee makes or expects to make a principal disbursement described in this
707 section, the trustee may transfer an appropriate amount from income to principal in one or
708 more accounting periods to reimburse principal or to provide a reserve for future principal
709 disbursements.

710 (2) Principal disbursements to which Subsection (1) applies include the following, but
711 only to the extent that the trustee has not been and does not expect to be reimbursed by a third
712 party:

713 (a) an amount chargeable to income but paid from principal because it is unusually
714 large, including extraordinary repairs;

715 (b) a capital improvement to a principal asset, whether in the form of changes to an
716 existing asset or the construction of a new asset, including special assessments;

717 (c) disbursements made to prepare property for rental, including tenant allowances,
718 leasehold improvements, and broker's commissions;

719 (d) periodic payments on an obligation secured by a principal asset to the extent that
720 the amount transferred from income to principal for depreciation is less than the periodic
721 payments; and

722 (e) disbursements described in Subsection 22-3-502(1)(g).

723 (3) If the asset whose ownership gives rise to the disbursements becomes subject to a
724 successive income interest after an income interest ends, a trustee may continue to transfer
725 amounts from income to principal as provided in Subsection (1).

726 Section 30. Section **22-3-505** is enacted to read:

727 **22-3-505. Income taxes.**

728 (1) A tax required to be paid by a trustee based on receipts allocated to income must be
729 paid from income.

730 (2) A tax required to be paid by a trustee based on receipts allocated to principal must
731 be paid from principal, even if the tax is called an income tax by the taxing authority.

732 (3) A tax required to be paid by a trustee on the trust's share of an entity's taxable
733 income must be paid proportionately:

734 (a) from income to the extent that receipts from the entity are allocated to income; and

735 (b) from principal to the extent that:

736 (i) receipts from the entity are allocated to principal; and

737 (ii) the trust's share of the entity's taxable income exceeds the total receipts described in
738 Subsections (3)(a) and (3)(b)(i).

739 (4) For purposes of this section, receipts allocated to principal or income must be
740 reduced by the amount distributed to a beneficiary from principal or income for which the trust

741 receives a deduction in calculating the tax.

742 Section 31. Section **22-3-506** is enacted to read:

743 **22-3-506. Adjustments between principal and income because of taxes.**

744 (1) A fiduciary may make adjustments between principal and income to offset the
745 shifting of economic interests or tax benefits between income beneficiaries and remainder
746 beneficiaries which arise from:

747 (a) elections and decisions, other than those described in Subsection (2), that the
748 fiduciary makes from time to time regarding tax matters;

749 (b) an income tax or any other tax that is imposed upon the fiduciary or a beneficiary as
750 a result of a transaction involving or a distribution from the estate or trust; or

751 (c) the ownership by an estate or trust of an interest in an entity whose taxable income,
752 whether or not distributed, is includable in the taxable income of the estate, trust, or a
753 beneficiary.

754 (2) If the amount of an estate tax marital deduction or charitable contribution deduction
755 is reduced because a fiduciary deducts an amount paid from principal for income tax purposes
756 instead of deducting it for estate tax purposes, and as a result estate taxes paid from principal
757 are increased and income taxes paid by an estate, trust, or beneficiary are decreased, each
758 estate, trust, or beneficiary that benefits from the decrease in income tax shall reimburse the
759 principal from which the increase in estate tax is paid. The total reimbursement must equal the
760 increase in the estate tax to the extent that the principal used to pay the increase would have
761 qualified for a marital deduction or charitable contribution deduction but for the payment. The
762 proportionate share of the reimbursement for each estate, trust, or beneficiary whose income
763 taxes are reduced must be the same as its proportionate share of the total decrease in income
764 tax. An estate or trust shall reimburse principal from income.

765 Section 32. Section **22-3-601** is enacted to read:

766 **Part 6. Miscellaneous Provisions**

767 **22-3-601. Uniformity of application and construction.**

768 In applying and construing this chapter, consideration must be given to the need to
769 promote uniformity of the law with respect to its subject matter among states that enact it.

770 Section 33. Section **22-3-602** is enacted to read:

771 **22-3-602. Severability clause.**

772 If any provision of this chapter or its application to any person or circumstance is held
773 invalid, the invalidity does not affect other provisions or applications of this chapter which can
774 be given effect without the invalid provision or application, and to this end the provisions of
775 this chapter are severable.

776 Section 34. Section **22-3-603** is enacted to read:

777 **22-3-603. Application of chapter to existing trusts and estates.**

778 This chapter applies to every trust or decedent's estate existing on May 3, 2004 except
779 as otherwise expressly provided in the will or terms of the trust or in this chapter.

780 Section 35. **Repealer.**

781 This bill repeals:

782 Section **22-3-1, Short title.**

783 Section **22-3-2, Definitions.**

784 Section **22-3-3, Duty of trustee as to receipts and expenditures.**

785 Section **22-3-4, Income -- Principal -- Charges.**

786 Section **22-3-5, When right to income arises -- Apportionment of income.**

787 Section **22-3-6, Income earned during administration of a decedent's estate.**

788 Section **22-3-7, Corporate distributions.**

789 Section **22-3-8, Bond premium and discount.**

790 Section **22-3-9, Business and farming operations.**

791 Section **22-3-10, Disposition of natural resources.**

792 Section **22-3-11, Timber.**

793 Section **22-3-12, Other property subject to depletion.**

794 Section **22-3-13, Underproductive property.**

795 Section **22-3-14, Charges against income and principal.**

796 Section **22-3-15, Application of chapter.**

797 Section **22-3-16, Uniformity of interpretation.**

Legislative Review Note

as of 1-22-04 10:02 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0131

Uniform Principal and Income Act

30-Jan-04

11:28 AM

State Impact

No fiscal impact.

Individual and Business Impact

Impacts will vary according to individual circumstances.

Office of the Legislative Fiscal Analyst