**§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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