

58-9-404. Principal receipts. A trustee shall allocate to principal:

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

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

(3) amounts recovered from third parties to reimburse the trust because of disbursements described in subsection (a)(7) of K.S.A. 58-9-502 and amendments thereto or for other reasons to the extent not based on the loss of income;

(4) proceeds of property taken by eminent domain, but a separate award made for the loss of income with respect to an accounting period during which a current income beneficiary had a mandatory income interest is income;

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

(6) other receipts as provided in K.S.A. 58-9-408 through 58-9-415 and amendments thereto.

History: L. 2000, ch. 61, § 13; July 1.