

**79-4605. Trusts which are private foundations, charitable trusts or split-interest trusts; acts prohibited.** (1) In the administration of any trust which is a "private foundation," as defined in § 509 of the internal revenue code of 1954, a "charitable trust," as defined in § 4947 (a) (1) of the internal revenue code of 1954, or a "split-interest trust" as defined in § 4947 (a) (2) of the internal revenue code of 1954, the following acts shall be prohibited:

(a) Engaging in any act of "self-dealing" (as defined in § 4941 (d) of the internal revenue code of 1954), which would give rise to any liability for the tax imposed by § 4941 (a) of the internal revenue code of 1954;

(b) retaining any "excess business holdings" (as defined in § 4943 (c) of the internal revenue code of 1954) which would give rise to any liability for the tax imposed by § 4943 (a) of the internal revenue code of 1954;

(c) making any investments which would jeopardize the carrying out of any of the exempt purposes of the trust, within the meaning of § 4944 of the internal revenue code of 1954, so as to give rise to any liability for the tax imposed by § 4944 (a) of the internal revenue code of 1954; and

(d) making any "taxable expenditures" (as defined in § 4945 (d) of the internal revenue code of 1954) which would give rise to any liability for the tax imposed by § 4945 (a) of the internal revenue code of 1954.

This section shall not apply either to those split-interest trusts or to amounts thereof which are not subject to the prohibitions applicable to private foundations by reason of the provisions of § 4947 of the internal revenue code of 1954.

**History:** L. 1971, ch. 314, § 1; July 1.