

58-9-408. Insubstantial allocations not required. If a trustee determines that an allocation between principal and income required by K.S.A. 58-9-409, 58-9-410, 58-9-411, 58-9-412 or 58-9-415 and amendments thereto is insubstantial, the trustee may allocate the entire amount to principal unless one of the circumstances described in subsection (c) of K.S.A. 58-9-104 and amendments thereto applies to the allocation. This power may be exercised by a cotrustee in the circumstances described in subsection (d) of K.S.A. 58-9-104 and amendments thereto and may be released for the reasons and in the manner described in subsection (e) of K.S.A. 58-9-104 and amendments thereto. An allocation is presumed to be insubstantial if:

- (1) The amount of the allocation would increase or decrease net income in an accounting period, as determined before the allocation, by less than 10 percent; or
- (2) the value of the asset producing the receipt for which the allocation would be made is less than 10 percent of the total value of the trust's assets at the beginning of the accounting period.

History: L. 2000, ch. 61, § 17; July 1.