

637.610 Procedure upon conversion of income trust to total return unitrust.

Following the conversion of an income trust to a total return unitrust, the trustee:

1. Shall treat the unitrust amount as if it were net income of the trust for purposes of determining the amount available, from time to time, for distribution from the trust.
2. Shall allocate an amount to trust income, not in excess of the annual unitrust payout amount, in the following order:
 - a. The amount derived from net income, as determined if the trust were other than a total return unitrust.
 - b. The amount derived from other ordinary income as determined for federal income tax purposes.
 - c. The amount derived from net realized short-term capital gains as determined for federal income tax purposes.
 - d. The amount derived from net realized long-term capital gains as determined for federal income tax purposes.
 - e. The amount derived from trust principal.

2002 Acts, ch 1086, §14, 21

Referred to in §637.613