

**637.422 Liquidating asset.**

1. In [this section](#), “*liquidating asset*” means an asset whose value will diminish or terminate because the asset is expected to produce receipts for a period of limited duration. The term includes leaseholds, patents, trademarks, copyrights, royalty rights, and rights to receive payments during a period of more than one year under an arrangement that does not provide for the payment of interest on the unpaid balance. The term does not include deferred compensation that is subject to [section 637.421](#), natural resources that are subject to [section 637.423](#), timber that is subject to [section 637.424](#), an activity that is subject to [section 637.426](#), or any asset for which the trustee establishes a reserve for depreciation under [section 637.503](#).

2. A trustee shall allocate to income ten percent of the receipts from a liquidating asset and the balance to principal.

[99 Acts, ch 124, §18](#)

Referred to in [§637.412](#), [§637.420](#), [§637.421](#)