

**386.478 Insubstantial allocations not required -- When allocation presumed insubstantial.**

If a trustee determines that an allocation between principal and income required by KRS 386.480, 386.482, 386.484, or 386.486 is unsubstantial, the trustee may allocate the entire amount to principal. 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 ten percent (10%); or
- (2) The value of the asset producing the receipt for which the allocation would be made is less than ten percent (10%) of the total value of the trust's assets at the beginning of the accounting period.

**Effective:** July 15, 2014

**History:** Amended 2014 Ky. Acts ch. 25, sec. 107, effective July 15, 2014. -- Amended 2010 Ky. Acts ch. 21, sec. 13, effective July 15, 2010. -- Created 2004 Ky. Acts ch. 158, sec. 15, effective January 1, 2005.