

**UNIFORM PRINCIPAL AND INCOME ACT (EXCERPT)**  
**Act 159 of 2004**

**555.810 Liquidating asset; allocation of receipts.**

Sec. 410.

(1) As used 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. Liquidating asset includes a leasehold, patent, copyright, royalty right, and right to receive payments during a period of more than 1 year under an arrangement that does not provide for the payment of interest on the unpaid balance. Liquidating asset does not include a payment subject to section 409, natural resources subject to section 411, timber subject to section 412, an activity subject to section 414, an asset subject to section 415, or an asset for which the trustee establishes a reserve for depreciation under section 503.

(2) A trustee shall allocate to income 10% of the receipts from a liquidating asset and the balance to principal.

**History:** 2004, Act 159, Eff. Sept. 1, 2004