

# STATE OF NEW YORK

7521

2019-2020 Regular Sessions

## IN ASSEMBLY

May 8, 2019

Introduced by M. of A. ZEBROWSKI, DINOWITZ -- (at request of the Office of Court Administration) -- read once and referred to the Committee on Judiciary

AN ACT to amend the estates, powers and trusts law, in relation to trust accounting income and principal

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Paragraph 2 of section 11-A-4.4 of the estates, powers and  
2 trusts law, as added by chapter 243 of the laws of 2001, is amended to  
3 read as follows:

4 (2) money or other property received from the sale, exchange, liqui-  
5 dation, or change in form of a principal asset, including realized  
6 profit, subject to this part; provided, however, that a trustee may, in  
7 a reasonable and impartial exercise of discretion, allocate to income  
8 gains from the sale or exchange of a capital asset (as defined in  
9 section 1221 of the Internal Revenue Code of 1986, as amended) to the  
10 extent that principal is re-characterized as income by the exercise of  
11 the power to adjust under subparagraph 11-2.3(b)(5), and provided  
12 further, however, that a trustee who has an unlimited discretionary  
13 power to distribute principal may, in a reasonable and impartial exer-  
14 cise of discretion, allocate to income any or all gains from the sale or  
15 exchange of a capital asset (as defined in section 1221 of the Internal  
16 Revenue Code of 1986, as amended);

17 § 2. This act shall take effect immediately and shall apply to all  
18 trusts, whenever established.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets  
[-] is old law to be omitted.

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