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

555.702 Allocation of income receipt or disbursement; occurrence of due date; accrual.
Sec. 302. (1) Except as provided in section 201(a), a trustee shall allocate an income receipt or
disbursement to principal if its due date occurs before the decedent dies in the case of an estate or before an
income interest begins in the case of a trust or successive income interest.

(2) A trustee shall allocate an income receipt or disbursement to income if its due date occurs on or after
the date on which the decedent dies or an income interest begins and it is a periodic due date. An income
receipt or disbursement shall be treated as accruing from day to day if its due date is not periodic or it has no
due date. The portion of the receipt or disbursement accruing before the date on which the decedent dies or an
income interest begins shall be allocated to principal and the balance shall be allocated to income.

(3) An item of income or an obligation is due on the date the payer is required to make a payment. If a
payment date is not stated, there is no due date for the purposes of this act. Distributions to shareholders or
other owners from an entity to which section 401 applies are considered to be due on the date fixed by the
entity for determining who is entitled to receive the distribution or, if no date is fixed, on the declaration date
for the distribution. A due date is periodic for receipts or disbursements that must be paid at regular intervals
under a lease or an obligation to pay interest or if an entity customarily makes distributions at regular
intervals.