

(D) A FIDUCIARY MAY APPLY THE RULES IN THIS SECTION, TO THE EXTENT THAT THE FIDUCIARY CONSIDERS IT APPROPRIATE, TO NET GAIN OR LOSS REALIZED AFTER THE DATE OF DEATH OR TERMINATING EVENT OR EARLIER DISTRIBUTION DATE FROM THE DISPOSITION OF A PRINCIPAL ASSET IF THIS SECTION APPLIES TO THE INCOME FROM THE ASSET.

PART III. APPORTIONMENT AT BEGINNING AND END OF INCOME INTEREST.

15-505. WHEN RIGHT TO INCOME BEGINS AND ENDS.

(A) AN INCOME BENEFICIARY IS ENTITLED TO NET INCOME FROM THE DATE ON WHICH THE INCOME INTEREST BEGINS. AN INCOME INTEREST BEGINS ON THE DATE SPECIFIED IN THE TERMS OF THE TRUST OR, IF NO DATE IS SPECIFIED, ON THE DATE AN ASSET BECOMES SUBJECT TO A TRUST OR SUCCESSIVE INCOME INTEREST.

(B) AN ASSET BECOMES SUBJECT TO A TRUST:

(1) ON THE DATE IT IS TRANSFERRED TO THE TRUST IN THE CASE OF AN ASSET THAT IS TRANSFERRED TO A TRUST DURING THE TRANSFEROR'S LIFE;

(2) ON THE DATE OF A TESTATOR'S DEATH IN THE CASE OF AN ASSET THAT BECOMES SUBJECT TO A TRUST BY REASON OF A WILL, EVEN IF THERE IS AN INTERVENING PERIOD OF ADMINISTRATION OF THE TESTATOR'S ESTATE; OR

(3) ON THE DATE OF AN INDIVIDUAL'S DEATH IN THE CASE OF AN ASSET THAT IS TRANSFERRED TO A FIDUCIARY BY A THIRD PARTY BECAUSE OF THE INDIVIDUAL'S DEATH.

(C) AN ASSET BECOMES SUBJECT TO A SUCCESSIVE INCOME INTEREST ON THE DAY AFTER THE PRECEDING INCOME INTEREST ENDS, AS DETERMINED UNDER SUBSECTION (D) OF THIS SECTION, EVEN IF THERE IS AN INTERVENING PERIOD OF ADMINISTRATION TO WIND UP THE PRECEDING INCOME INTEREST.

(D) AN INCOME INTEREST ENDS ON THE DAY BEFORE AN INCOME BENEFICIARY DIES OR ANOTHER TERMINATING EVENT OCCURS, OR ON THE LAST DAY OF A PERIOD DURING WHICH THERE IS NO BENEFICIARY TO WHOM A TRUSTEE MAY DISTRIBUTE INCOME.

15-506. APPORTIONMENT OF RECEIPTS AND DISBURSEMENTS WHEN DECEDENT DIES OR INCOME INTEREST BEGINS.

(A) A TRUSTEE SHALL ALLOCATE AN INCOME RECEIPT OR DISBURSEMENT OTHER THAN ONE TO WHICH § 15-503(1) OF THIS SUBTITLE APPLIES TO PRINCIPAL IF ITS DUE DATE OCCURS BEFORE A DECEDENT DIES IN THE CASE OF AN ESTATE OR BEFORE AN INCOME INTEREST BEGINS IN THE CASE OF A TRUST OR SUCCESSIVE INCOME INTEREST.

(B) A TRUSTEE SHALL ALLOCATE AN INCOME RECEIPT OR DISBURSEMENT TO INCOME IF ITS DUE DATE OCCURS ON OR AFTER THE DATE ON WHICH A 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 A DECEDENT