

(D) (1) THIS SUBSECTION APPLIES TO ANY OBLIGATION FOR THE PAYMENT OF MONEY AT A FUTURE TIME, PROVIDED THE OBLIGATION WAS HELD AS AN ASSET OF A TRUST THAT WAS IRREVOCABLE ON OCTOBER 1, 2000 (REGARDLESS OF WHETHER THE ASSET WAS ACQUIRED BEFORE OR AFTER OCTOBER 1, 2000), AND PROVIDED THE TRUSTEE MAKES AN IRREVOCABLE ELECTION ON THE FIRST YEAR-END ACCOUNTING OF THE TRUST'S PRINCIPAL AND INCOME STATED AFTER SEPTEMBER 30, 2000 TO ALLOCATE DISTRIBUTIONS IN ACCORDANCE WITH THIS SUBSECTION, INCLUDING:

(I) A BOND;

(II) A ZERO COUPON BOND;

(III) AN ANNUITY CONTRACT BEFORE UNITIZATION;

(IV) A LIFE INSURANCE CONTRACT BEFORE THE DEATH OF THE INSURED; AND

(V) AN INTEREST IN A COMMON TRUST FUND AS DEFINED UNDER § 584 OF THE INTERNAL REVENUE CODE WITH RESPECT TO CHARITABLE REMAINDER TRUSTS AS DEFINED UNDER § 664 OF THE INTERNAL REVENUE CODE AND POOLED INCOME FUNDS AS DEFINED UNDER § 642(C)(5) OF THE INTERNAL REVENUE CODE.

(2) UNLESS OTHERWISE PROVIDED IN THE TRUST INSTRUMENT OR IN THIS SUBTITLE, THE INCREMENT IN VALUE OF AN OBLIGATION FOR THE PAYMENT OF MONEY PAYABLE AT A FUTURE TIME IN ACCORDANCE WITH A FIXED, VARIABLE, OR DISCRETIONARY SCHEDULE OF APPRECIATION IN EXCESS OF THE PRICE AT WHICH IT WAS ISSUED SHALL BE DISTRIBUTABLE AS INCOME.

(3) THE INCREMENT IN VALUE IS DISTRIBUTABLE TO THE BENEFICIARY WHO WAS THE INCOME BENEFICIARY AT THE TIME OF THE INCREMENT FROM THE FIRST PRINCIPAL CASH AVAILABLE OR, IF NONE IS AVAILABLE, WHEN REALIZED BY SALE, REDEMPTION, OR OTHER DISPOSITION. WHENEVER UNREALIZED INCREMENT IS DISTRIBUTED AS INCOME, BUT OUT OF PRINCIPAL, THE PRINCIPAL SHALL BE REIMBURSED FOR THE INCREMENT WHEN REALIZED.

(4) FOR PURPOSES OF THIS SUBSECTION, THE INCREMENT IN VALUE OF AN OBLIGATION FOR THE PAYMENT OF MONEY SHALL BE AVAILABLE FOR DISTRIBUTION ONLY WHEN THE TRUSTEE RECEIVES CASH ON ACCOUNT OF THE OBLIGATION.

SUBPART C. RECEIPTS NORMALLY APPORTIONED.

15-515. INSUBSTANTIAL ALLOCATIONS NOT REQUIRED.

IF A TRUSTEE DETERMINES THAT AN ALLOCATION BETWEEN PRINCIPAL AND INCOME REQUIRED BY § 15-516, § 15-517, § 15-518, § 15-519, OR § 15-522 OF THIS SUBTITLE IS INSUBSTANTIAL, THE TRUSTEE MAY ALLOCATE THE ENTIRE AMOUNT TO PRINCIPAL. AN ALLOCATION IS PRESUMED TO BE INSUBSTANTIAL IF: