

**RCW 11.104B.420 Disbursements—Transfer from income to principal for depreciation.** (1) In this section, "depreciation" means a reduction in value due to wear, tear, decay, corrosion, or gradual obsolescence of a tangible asset having a useful life of more than one year.

(2) A fiduciary may transfer to principal a reasonable amount of the net cash receipts from a principal asset that is subject to depreciation, but may not transfer any amount for depreciation:

(a) Of the part of real property used or available for use by a beneficiary as a residence;

(b) Of tangible personal property held or made available for the personal use or enjoyment of a beneficiary; or

(c) Under this section, to the extent the fiduciary accounts:

(i) Under RCW 11.104B.290 for the asset; or

(ii) Under RCW 11.104B.220 for the business or other activity in which the asset is used.

(3) An amount transferred to principal under this section need not be separately held. [2021 c 140 § 2503.]