

TABLE S.—BASED ON LIFE TABLE 80CNSMT SINGLE LIFE REMAINDER FACTORS—Continued  
 [Applicable After April 30, 1989, and Before May 1, 1999]

| Age       | Interest rate |        |        |        |        |        |        |        |        |        |
|-----------|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|           | 12.2%         | 12.4%  | 12.6%  | 12.8%  | 13.0%  | 13.2%  | 13.4%  | 13.6%  | 13.8%  | 14.0%  |
| 97 .....  | .73590        | .73285 | .72982 | .72682 | .72385 | .72090 | .71799 | .71510 | .71224 | .70941 |
| 98 .....  | .74448        | .74149 | .73853 | .73560 | .73269 | .72981 | .72696 | .72414 | .72134 | .71856 |
| 99 .....  | .75240        | .74948 | .74658 | .74371 | .74086 | .73805 | .73525 | .73248 | .72974 | .72702 |
| 100 ..... | .75974        | .75687 | .75403 | .75121 | .74842 | .74566 | .74292 | .74020 | .73751 | .73484 |
| 101 ..... | .76669        | .76388 | .76109 | .75833 | .75559 | .75287 | .75018 | .74751 | .74486 | .74223 |
| 102 ..... | .77393        | .77117 | .76844 | .76573 | .76304 | .76037 | .75773 | .75511 | .75251 | .74993 |
| 103 ..... | .78158        | .77888 | .77620 | .77355 | .77091 | .76830 | .76571 | .76313 | .76058 | .75805 |
| 104 ..... | .79007        | .78743 | .78482 | .78222 | .77964 | .77709 | .77455 | .77203 | .76953 | .76705 |
| 105 ..... | .80065        | .79809 | .79556 | .79304 | .79054 | .78805 | .78559 | .78314 | .78071 | .77829 |
| 106 ..... | .81631        | .81389 | .81149 | .80911 | .80674 | .80438 | .80204 | .79972 | .79741 | .79511 |
| 107 ..... | .83963        | .83745 | .83529 | .83313 | .83099 | .82886 | .82674 | .82463 | .82254 | .82045 |
| 108 ..... | .87910        | .87739 | .87569 | .87400 | .87232 | .87064 | .86897 | .86731 | .86566 | .86401 |
| 109 ..... | .94563        | .94484 | .94405 | .94326 | .94248 | .94170 | .94092 | .94014 | .93937 | .93860 |

[Redesignated from 36 FR 6480, Apr. 6, 1971, T.D. 8540, 59 FR 30102, 30105, 30116, June 10, 1994, as amended by T.D. 8819, 64 FR 23190, 23199, 23228, Apr. 30, 1999; 64 FR 33196, June 22, 1999; T.D. 8886, 65 FR 36943, June 12, 2000]

whether or not they are required in that year.

**§ 1.651(a)-2 Income required to be distributed currently.**

TRUSTS WHICH DISTRIBUTE CURRENT INCOME ONLY

**§ 1.651(a)-1 Simple trusts; deduction for distributions; in general.**

Section 651 is applicable only to a trust the governing instruments of which:

(a) Requires that the trust distribute all of its income currently for the taxable year, and

(b) Does not provide that any amounts may be paid, permanently set aside, or used in the taxable year for the charitable, etc., purposes specified in section 642(c),

and does not make any distribution other than of current income. A trust to which section 651 applies is referred to in this part as a "simple" trust. Trusts subject to section 661 are referred to as "complex" trusts. A trust may be a simple trust for one year and a complex trust for another year. It should be noted that under section 651 a trust qualifies as a simple trust in a taxable year in which it is required to distribute all its income currently and makes no other distributions, whether or not distributions of current income are in fact made. On the other hand a trust is not a complex trust by reason of distributions of amounts other than income unless such distributions are in fact made during the taxable year,

(a) The determination of whether trust income is required to be distributed currently depends upon the terms of the trust instrument and the applicable local law. For this purpose, if the trust instrument provides that the trustee in determining the distributable income shall first retain a reserve for depreciation or otherwise make due allowance for keeping the trust corpus intact by retaining a reasonable amount of the current income for that purpose, the retention of current income for that purpose will not disqualify the trust from being a "simple" trust. The fiduciary must be under a duty to distribute the income currently even if, as a matter of practical necessity, the income is not distributed until after the close of the trust's taxable year. For example: Under the terms of the trust instrument, all of the income is currently distributable to A. The trust reports on the calendar year basis and as a matter of practical necessity makes distribution to A of each quarter's income on the fifteenth day of the month following the close of the quarter. The distribution made by the trust on January 15, 1955, of the income for the fourth quarter of 1954 does not disqualify the trust from treatment in 1955 under section 651, since the income is required to be distributed currently. However, if the terms of a trust require that none of the income