

No. 781, S.]

[Published January 30, 1962.

CHAPTER 651

AN ACT to amend 231.40 (5) (a) of the statutes, relating to principal and income.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

231.40 (5) (a) of the statutes is amended to read:

231.40 (5) (a) All dividends on shares of a corporation forming a part of the principal which are payable in the shares of the corporation shall be deemed principal. Subject to the provisions of this subsection, all dividends payable otherwise than in the shares of the corporation itself, including ordinary and extraordinary dividends and dividends payable in shares or other securities or obligations of corporations other than the declaring corporation, shall be deemed income, *except that any distribution of shares or other securities or obligations of corporations other than the distributing corporation, or the proceeds of sale or other disposition thereof, made as a result of a court decree or final administrative order by a governmental agency heretofore or hereafter entered ordering the distributing corporation to divest itself of the shares, securities or other obligations shall be deemed principal unless the distributing corporation indicates that the distribution is wholly or partly in lieu of an ordinary cash dividend in which case the distribution to the extent that it is in lieu of the ordinary cash dividend shall be deemed income.* Where the trustee * * * has the option of receiving a dividend either in cash or in the shares of the declaring corporation, it shall be considered as a cash dividend and deemed income, irrespective of the choice made by the trustee, except that any distribution by a mutual fund or investment company designated by it as a capital gains distribution shall be treated as principal.

Approved January 26, 1962.