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## **Kaestner Trust - Three Key Takeaways Regarding State and Local Taxable Income**

by [Jeffrey S. Reed](#)

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On June 21, 2019 the United States Supreme Court issued its opinion for *North Carolina Department of Revenue v. Kimberly Rice Kaestner 1992 Family Trust*. Not surprisingly, based on how oral argument went, the Court ruled that the Due Process Clause bars a state from taxing undistributed trust income when a trust's sole connection to the state is the presence of in-state beneficiaries. [Please see our State and Local Blog for further details on this alert.](#)