

Income/Franchise:

Minnesota DOR Explains How Due Process “Minimum Connections” Under *Kaestner* Applies to Trusts

Revenue Notice No. 23-01: Income Tax – Statutory Resident Trusts – Application of the Due Process Clause Minimum Connections Test, Minn. Dept. of Rev. (4/3/23). The Minnesota Department of Revenue (Department) issued a revenue notice explaining its position on how it will apply the Due Process “minimum connections test” to resident trusts under Minnesota law in light of the US Supreme Court’s decision in *Kaestner*, as well as Minnesota Supreme Court caselaw from 2018. In it, the Department reasons that while these two decisions both contain “narrow holdings, limited to irrevocable inter vivos trusts[,]” they “do offer persuasive authority that their holdings ought to apply to all trusts” (*i.e.*, both irrevocable inter vivos trusts and irrevocable testamentary trusts). Accordingly, it is the Department’s position that the connections highlighted in the notice are relevant with respect to irrevocable inter vivos trusts and irrevocable testamentary trusts.

URL: <https://www.revenue.state.mn.us/sites/default/files/2023-04/revenue-notice-income-tax-resident-trusts-due-process-minimum-connections-test-final.pdf>

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