



Can the State of Minnesota Tax Your Trust?

[The State of Minnesota](#) has stringent rules on taxing trusts, specifically targeting "Resident Trusts," which are defined as irrevocable trusts created by a grantor domiciled in Minnesota at the time of creation. This rule was challenged in the case of *Fielding v. Commissioner of Revenue*. The Minnesota Supreme Court found the state's definition of a Resident Trust unconstitutional as applied to the Fielding trusts, ruling that connections between the trust and the state must be considered. This decision has significant implications for estate planning and fiduciary income tax considerations.