

NEWS

Myrick quoted in Law360

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Charlotte Litigation Member Tom Myrick was quoted in the *Law360* article titled, "Beneficiary's Residency Not Basis For Tax, Justices Told," that was published December 3. A New York based trust has urged the U.S. Supreme Court to decline review of a ruling that determined the due process clause prohibited North Carolina from taxing the trust solely because its beneficiary resided in the state. The North Carolina Supreme Court correctly held that the Kimberley Rice Kaestner 1992 Family Trust was a foreign entity that did not fall under the purview of the state's tax statutes, the trust said Friday in response to the North Carolina Department of Revenue's certiorari petition ([2018 Law360 297-34](#)).

Myrick stated, "that even though the case could be an opportunity for the court to rule on an issue of first impression, whether an out-of-state trust can be subject to tax solely based on its beneficiary's residency, the justices should deny certiorari because the case's facts are so narrow that a ruling would not have sweeping ramifications nationwide."

"Ours is unique in that the beneficiaries were the only connection," Myrick said in an email. "Also, although in a constitutional context, the holding by the Supreme Court of North Carolina was based on a more fundamental concept that the trust and its beneficiaries are separate legal entities and that it is violative of due process to allow one entity's actions to subject a separate, independent entity to tax jurisdiction."

The Kimberley Rice Kaestner 1992 Family Trust is represented by Litigation Members Tom Myrick and Neil Bloomfield.