South Dakota	Connecticut
State Income Tax on Trust Income	
None (constitutional prohibition since 1942)	Up to 6.99%; capital gains taxed as ordinary income
Estate Tax & Gift Tax	
None; no estate or gift tax of any kind.	Estate tax at 12% above exemption; gift tax at 12% – tied to grantor's CT domicile at time of gift
Rule Against Perpetuities	
Abolished 1983 – first in the nation. [SDCL § 43-5-8]	Modified USRAP; 90-year wait-and-see; no perpetual dynasty trusts
DAPT Asset Protection	
Robust DAPT statute. 2-year lookback. Clear & convincing burden. [SDCL § 55-16-10]	No DAPT statute; self-settled trusts available to creditors under CT UTA
Directed Trustees	
Statute since 1997; 68% of SD trust business is directed.	CT UTA (2020); roughly 23 fewer years of institutional experience
Decanting	
Ranked #1 nationally (Oshin). Fully discretionary. [SDCL § 55-2-15]	CT UTA decanting statute; more restrictive; broader court oversight triggers
Quiet Trusts	
Most comprehensive in the nation. [SDCL § 55-2-13]	CT UTA duty-to-inform; limited waiver; less explicit than SD's statute
Privacy	
Permanent, automatic seal. No petition required. [SDCL § 21-22-28]	No automatic seal; Superior Court & Probate Court proceedings public
Special Purpose Entities	
Only state with statute permitting trust advisory LLCs. [SDCL § 51A-6A-66]	No codified SPE framework; advisors act in individual capacity
PPLI Premium Tax	
0.8 bps (0.008%) – among the lowest in country. [SDCL § 10-44-2]	1.75% – ~$85,400 excess on $5M policy/yr
Legislative Modernization	
Annual updates via Governor's Task Force	CT UTA enacted 2020; no annual reform mechanism; baseline uniform act
Trust Modification	
Comprehensive nonjudicial modification; courts experienced in trust matters	Court involvement more frequent; variable probate court sophistication

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