South Dakota	Texas
State Income Tax	
None (constitutional prohibition since 1942)	No income tax; franchise tax on business trusts at 0.75%
Rule Against Perpetuities	
Abolished 1983 – first in the nation. [SDCL § 43-5-8]	Abolished 2021 (personal property only); real property may still face limits
DAPT Asset Protection	
Robust DAPT statute. 2-year lookback. Clear & convincing burden. [SDCL § 55-16-10]	4-yr lookback; enacted 2021; less tested in courts
Directed Trustees	
Statute since 1997; 68% of SD trust business is directed.	Since ~2013; less utilized; smaller specialist market
Decanting	
Ranked #1 nationally (Oshin). Fully discretionary. [SDCL § 55-2-15]	More restrictive; must maintain existing beneficial interests
Quiet Trusts	
Most comprehensive in the nation. [SDCL § 55-2-13]	Less explicit; greater uncertainty for dynasty designs
Privacy	
Permanent, automatic seal. No petition required. [SDCL § 21-22-28]	No automatic seal; must petition under Rule 76a
Special Purpose Entities	
Only state with statute permitting trust advisory LLCs. [SDCL § 51A-6A-66]	No codified SPE framework; advisors in individual capacity
Community Property Trust	
Full double step-up at first death. [SDCL § 55-17]	No comparable CPT statute; benefit depends on TX community property characterization
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	Biennial legislature; no dedicated reform mechanism
Trust Modification	
Comprehensive nonjudicial modification; specialized courts	More constrained; general courts of equity

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