South Dakota	Washington
State Income Tax	
None (Since 1942, constitutional)	None (Constitution prohibits graduated income tax)
Capital Gains Tax	
None (Constitutional protection)	7% on gains above $262,000/year (Quinn v. State, March 2023). $10M gain ≈ $681,700 tax
Rule Against Perpetuities	
Abolished 1983 – first in the nation. [SDCL § 43-5-8]	Abolished 2021 for personal property (limited precedent; real property may still have limitations)
DAPT Asset Protection	
Robust DAPT statute. 2-year lookback. Clear & convincing burden. [SDCL § 55-16-10]	Since 2021; 4-yr lookback (double SD); limited case law; exceptions for spousal/child support, tort claims
Directed Trustees	
Statute since 1997; 68% of SD trust business is directed.	Since 2019; nascent market; less developed liability protections
Decanting	
Ranked #1 nationally (Oshin). Fully discretionary. [SDCL § 55-2-15]	RCW 11.107; more restrictive; must maintain distribution standards
Quiet Trusts	
Most comprehensive in the nation. [SDCL § 55-2-13]	Limited provisions; less granular control; mostly trustee-driven
Privacy	
Permanent, automatic seal. No petition required. [SDCL § 21-22-28]	No automatic seal; Public Records Act applies; requires motion + showing of harm
Special Purpose Entities	
Only state with statute permitting trust advisory LLCs. [SDCL § 51A-6A-66]	No SPE framework; advisors in personal capacity
PPLI Premium Tax	
0.8 bps (0.008%) – among the lowest in country. [SDCL § 10-44-2]	2% premium tax; $5M policy ≈ $97,900 tax
Fiscal Health	
#1 or #2 fiscal health (PEW/Mercatus). Pension 103% funded. AAA credit.	Strong credit rating; PERS historically underfunded; larger government spending
Legal Infrastructure	
40+ years of trust specialization; mature case law	Newer framework (2019–2021); limited case law; emerging trust industry

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