

06-1286 KNIGHT V. COMMISSIONER OF INTERNAL REVENUE

DECISION BELOW:467 F3d 149

LOWER COURT CASE NUMBER: 05-5151-ag

QUESTIONS PRESENTED:

There is a deep, irreconcilable and widely noted conflict among the Second, Fourth, Sixth and Federal Circuits about the meaning of 26 U.S.C. § 67(e) — which permits trusts and estates to deduct on their income tax returns certain administrative expenses — and whether the statute permits fees for investment management and advisory services to be fully deducted on trust's and estate's income tax returns. This is an important and recurring question of federal tax law that involves deductions by trusts and estates that total in the billions of dollars annually.

The Question Presented is:

Whether 26 U.S.C. § 67(e) permits a full deduction for costs and fees for investment management and advisory services provided to trusts and estates.

CERT. GRANTED 6/25/2007