6 T.C. 30 (1946)

Whether a will creates one trust or multiple trusts is determined by the intent of the testator as expressed in the language of the will itself, not by how the trustees choose to administer the assets.

Summary

The Hiecke Trust case addresses whether a will created one trust or two for tax purposes. The will established a trust for the testator's two grandnephews. The trustees administered the assets as if there were two separate trusts, believing this best served the beneficiaries' differing needs. The Commissioner of Internal Revenue determined there was only one trust and assessed deficiencies accordingly. The Tax Court agreed with the Commissioner, holding that the testator's intent, as expressed in the will, was to create a single trust, and the trustees' administrative choices could not override that intent.

Facts

Jennie M. Wainwright died in 1939, leaving a will that established a trust for her two grandnephews, Edward and Fred Hiecke. The will directed the trustees to use the income for the grandnephews' support, maintenance, and education. Upon reaching certain ages, the grandnephews were to receive portions of the corpus. The will contained spendthrift provisions and addressed scenarios where either grandnephew might die before the trust terminated.

Procedural History

The Commissioner of Internal Revenue determined deficiencies in the trust's income tax, arguing that the will created a single trust. The trustees, who had administered the assets as two separate trusts, petitioned the Tax Court for a redetermination of the deficiencies, arguing that the will created two trusts.

Issue(s)

Whether the will of Jennie M. Wainwright created one trust with two beneficiaries or two separate trusts, one for each beneficiary, for federal income tax purposes.

Holding

No, the will created only one trust, because the language of the will indicates the testator's intent to establish a single trust for the benefit of both grandnephews, despite the trustees' separate administration of the funds.

Court's Reasoning

The court emphasized that the testator's intent, as expressed in the will's language,

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is controlling. The court noted that the will consistently used the singular form when referring to the

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