

Insights: In The News

'Hyatt 3' Oral Argument And Potential State Tax Implications

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On Jan. 9, the United States Supreme Court heard oral argument in *Franchise Tax Board v. Hyatt*, a case addressing whether state agencies possess sovereign immunity from suit in sister state courts. Based on the oral argument, the justices are keenly aware that there is no textual grant of sovereign immunity, yet also think that a disconnect exists if the states do not have immunity, given that there is immunity for other sovereigns in state courts, plus the states enjoy sovereign immunity in the federal courts of sister states under the 11th Amendment.

Jeffrey Reed's summary of key points from the oral argument, along with a discussion of the potential state tax implications of the case, is available on [Law360](#).

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