

McCulloch v. Maryland



Legal Question(s) this case helped answer:

✚ *Under the U.S. Constitution, does Congress have the power to create a bank?*

Background/Summary of Court Case:

The United States, at this time (1819) had a federal bank, the Bank of the United States.

The State of Maryland voted to tax all bank business not done with state banks. This was meant to be a tax on people who lived in Maryland but who did business with banks in other states. However, the State of Maryland also sought to tax the federal bank. Andrew McCulloch, who worked in the Baltimore branch of the Bank of the United States, refused to pay the tax. The State of Maryland sued, and the Supreme Court accepted the case.

Writing for the Court, Chief Justice John Marshall wrote that the federal government did indeed have the right and power to set up a federal bank. Further, he wrote, a state did not have the power to tax the federal government. "The right to tax is the right to destroy," he wrote, and states should not have that power over the federal government



Importance of the Case:

The U.S. Supreme Court held that yes, the federal (national) government has the power to establish a national bank. This increased the authority of the federal government.

