

The Power to Tax and Spend

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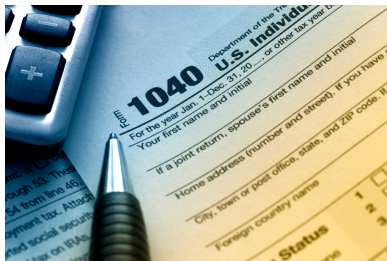
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The taxing and spending power of Congress

- Article I, §8 gives Congress the power to “lay and collect Taxes, Duties, Imposts, and Excises, to pay the Debts and provide for the common Defence and general Welfare of the United States.”
- It also requires that, “all Duties, Imposts, and Excises shall be uniform throughout the United States.”
- Article I, §9, however, limits Congress, “No capitation or other direct Tax shall be laid, unless in Proportion to the Census or Enumeration herein before directed to be taken,” and “No Tax or Duty shall be laid on Articles exported from any State.”
- And Article I, §2 holds that, “direct taxes shall be apportioned among the several states... according to their respective Numbers.”

Direct taxes and income taxes

- *Hylton v. United States* (1796)
- *Springer v. United States* (1881)
- *Pollock v. Farmers' Loan and Trust Co.* (1895)
- Amendment XVI



Taxes on exports

- *United States v. IBM*
(1996)
- *United States*
v. U.S. Shoe Corp.
(1998)



Intergovernmental tax immunity doctrine

- *McCulloch v. Maryland* (1819)
- *Collector v. Day* (1871)
- *South Carolina v. Baker* (1988)
- *Davis v. Michigan Department of Treasury* (1989)

Taxation as a regulatory power

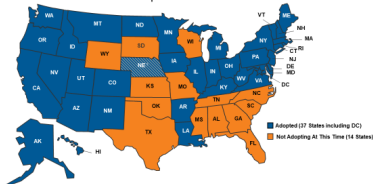
- *Hampton & Co. v. United States* (1928)
- *Veazie Bank v. Fenno* (1869)
- *McCray v. United States* (1904)
- *Bailey v. Drexel Furniture Co.* (1922)
- *United States v. Kahriger* (1953)
- *Marchetti v. United States* (1968)



Taxing and spending powers

- *United States v. Butler* (1936)
- *Steward Machine Co. v. Davis* (1937)
- *South Dakota v. Dole* (1987)
- *NFIB v. Sebelius* (2012)

Status of State Medicaid Expansion Decisions



Restrictions on states' revenue powers

- *Michelin Tire Corp. v. Wages* (1976)
- *Complete Auto Transit v. Brady* (1977)
- *South Dakota v. Wayfair* (2018)
- *Oregon Waste Systems Inc. v. Department of Environmental Quality of Oregon* (1994)

