**WHAT HAPPENED? WHAT IS THE STORY BEHIND THE CASE?**

* **A third national bank is planned to be established in the state of Maryland.**
* **Maryland passed a law that taxes people to use the bank**
* **James McCulloch disagreed with the tax**
* **State of Maryland sued him**
* **Maryland’s argument was that the bank was unconstitutional because nothing in the Constitution said there had to be a national bank.**
* **Maryland won the case**
* **Chief John Marshall of the Supreme Court ordered that the federal government did have a right to make a such a bank.**
* **The case got appealed by the Supreme Court**

**HOW DID THE SUPREME COURT RULE IN THE CASE?**

The Supreme Court stated that Congress did have the right to make federal banks. The Necessity and Proper clause say that Congress has powers that are not listed in the Constitution but are implied. Due to the Supremacy Clause of the Constitution, federal laws rule over the state laws. Maryland’s tax on the bank violated the authority of the Constitution. Overall, the McCulloch v. Maryland case gave the federal government more power than listed in the Constitution and gave the federal government more powerful than the states.

**NAME OF CASE**

McCulloch v. Maryland

**YEAR OF CASE**

**1816**

**INVOLVED (ex. people, states, amendments, laws)**

Congress, the Constitution, James McCulloch, Maryland,

Supreme Court, law that requires you to pay taxes on the bank, John Marshall, Necessity and Proper clause

**WHAT IS THE CONSTITUTIONAL ISSUE IN THIS CASE?**

McCulloch refused to pay his state taxes for the bank. Questions if Maryland can tax federal institutions setup by the national government.