

Bradley Vs. the People

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Court : US Supreme Court

Decided On : 1866

Appeal No. : 71 U.S. 459

Appellant : Bradley

Respondent : The People

Judgement :

Bradley v. The People - 71 U.S. 459 (1866)

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Bradley v. The People

71 U.S. (4 Wall.) 459

ERROR TO THE SUPREME

COURT OF ILLINOIS

SYLLABUS

A tax on the capital of a bank is not the same thing as a tax upon the shares of which the capital is composed. And where a state imposes on the state banks a tax on their *capital* (the *shares* in the hands of the shareholders being exempt

from tax), it cannot lay a tax on the *shares* of banks, organized under the Act of June 3, 1864, to provide a, national currency. [Van Allen v. Assessors](#), 3 Wall. 673, affirmed.

The case came before that court on an appeal from a decision of the Board of Supervisors of the County of Peoria, by which they had refused to assess a state and county tax on the shares of Bradley and Howell in the First and Second National Banks of Peoria. The appeal was taken by the auditor of public accounts, in behalf of the state.

The supreme court reversed this decision of the board, and held the shareholders liable to the tax. The ground of exemption relied on, both before the supervisors and the supreme court, was want of authority in the board, within the forty-first section of the National Bank Act of June, 1864, and particularly within the second proviso of that section, which declares that the tax imposed on the shares of any banking associations under that act "shall not exceed the rate imposed upon the *shares* in any of the banks organized under the authority of the states."

The act of the state, dated February 14, 1857, and under which the tax was assessed, provides for taxing the *capital* stock of the banks, together with the surplus profits or reserved funds. No tax was imposed specifically on the *shares* held by the stockholder.

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MR. JUSTICE NELSON delivered the opinion of the Court.

The question raised in this case came before us in the case of *Van Allen v. Assessors*, [*](#) from New York, where the statute taxing the state banks was substantially like that of Illinois. We there held the tax unauthorized for the defect stated.

It was in that case attempted to be sustained on the same ground relied on here, that the tax on the capital was equivalent to tax on the shares, as respected the shareholders. But the position was answered that, admitting it to be so, yet,

inasmuch as the capital of the state banks may consist of the bonds of the United States, which were exempt from state taxation, it was not easy to see that the tax on the capital was an equivalent to a tax on the shares.

We see no distinction between the two cases, and the judgment of the court below must be reversed, and the

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proceedings remanded, with directions to enter a judgment affirming the decision of the board of supervisors.

Judgment accordingly.

MR. JUSTICE DAVIS took no part in the decision of this case.

* [70 U. S. 3](#) Wall. 573, [70 U. S. 581](#) .