

Darnell Vs. Indiana

Darnell Vs. Indiana

SooperKanoon Citation : sooperkanoon.com/91169

Court : US Supreme Court

Decided On : Dec-23-1912

Appeal No. : 226 U.S. 390

Appellant : Darnell

Respondent : Indiana

Judgement :

Darnell v. Indiana - 226 U.S. 390 (1912)

U.S. Supreme Court Darnell v. Indiana, 226 U.S. 390 (1912)

Darnell v. Indiana

No. 78

Argued December 9, 1912

Decided December 23, 1912

226 U.S. 390

ERROR TO THE SUPREME COURT

OF THE STATE OF INDIANA

SYLLABUS

The statutes of Indiana taxing all shares in foreign corporations except national banks owned by inhabitants of the state, and all shares in domestic corporations the property whereof is not exempt or taxable to the corporation itself, are not unconstitutional as contrary to the commerce clause of the federal Constitution.

Quaere whether such statutes deny equal protection of the law by discriminating against stock in corporations of other states, especially as to those having property taxed within the state.

One not within the class claimed to be discriminated against cannot raise the question of constitutionality of a statute on the ground that it denies equal protection by such discrimination. *Hatch v. Reardon*; [204 U. S. 152](#) , followed, and *Spraigue v. Thompson*, [118 U. S. 90](#) , distinguished.

A state may tax the property of domestic corporations and the stock of foreign ones in similar cases. *Kidd v. Alabama*, [188 U. S. 730](#) .

174 Ind. 143 affirmed.

The facts, which involve the constitutionality under the commerce clause of certain sections of the tax statutes of Indiana, are stated in the opinion.

Page 226 U. S. 397

MR. JUSTICE HOLMES delivered the opinion of the Court.

This is an action brought by the State of Indiana for taxes on stock of a Tennessee corporation owned by the principal defendant. The Indiana statutes purport to tax all shares in foreign corporations except national banks, owned by inhabitants of the state, and all shares in domestic corporations when the property of such corporations is not exempt or is not taxable to the corporation itself. If the value of the stock exceeds that of the tangible taxable property, this excess also is taxed. *Burns' Indiana State.*, 1908, 10,143, 10,233, 10,234. The declaration was

demurred to on the ground that the statutes were contrary to the commerce clause, Art. I, 8, and

Page 226 U. S. 398

the Fourteenth Amendment of the Constitution of the United States. Judgment was entered for the plaintiff, 174 Ind. 143, and a writ of error was allowed.

The case is pretty nearly disposed of by *Kidd v. Alabama*, [188 U. S. 730](#) , where the real matter of complaint, that the property of the corporation presumably is taxed in Tennessee, is answered. See also *Wright v. Louisville & Nashville R. Co.*, [195 U. S. 219](#) , [195 U. S. 222](#) . But it is said that the former decision does not deal with the objection that the statutes work a discrimination against stock in corporations of other states, contrary to principles often recognized. *I. M. Darnell & Son. Co. v. Memphis*, [208 U. S. 113](#) . The most serious aspect of this objection is that the statutes of Indiana do not make allowance if a foreign corporation has property taxed within the state. But as to this it is enough to say that, however the statutes may be construed in a case of that sort, the plaintiffs in error do not show that it is theirs, and that, as they do not belong to the class for whose sake the constitutional protection would be given, if it would, they cannot complain on that ground. *Smiley v. Kansas*, [196 U. S. 447](#) , [196 U. S. 457](#) ; *Hatch v. Reardon*, [204 U. S. 152](#) , [204 U. S. 160](#) . If *Sprague v. Thompson*, [118 U. S. 90](#) , contains an intimation contrary to this rule, the decision was supported on other grounds, and the rule no longer is open to dispute. *Lee v. New Jersey*, [207 U. S. 67](#) , [207 U. S. 70](#) ; *Southern R. Co. v. King*, [217 U. S. 524](#) , [217 U. S. 534](#) ; *Lindsley v. Natural Carbonic Gas Co.*, [220 U. S. 61](#) , [220 U. S. 77](#) -78; *Yazoo & Mississippi Valley R. Co. v. Jackson Vinegar Co.*, *ante*, p. [226 U. S. 217](#) .

The only difference of treatment disclosed by the record that concerns the defendants is that the state taxes the property of domestic corporations and the stock of foreign ones in similar cases. That this is consistent with substantial equality notwithstanding the technical differences was decided in *Kidd v. Alabama*, [188 U. S. 730](#) , [188 U. S. 732](#) .

Judgment affirmed.

SooperKanoon - India's Premier Online Legal Search - sooperkanoon.com