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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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FITZGERALD, TREASURER OF IOWA *v.* RACING ASSOCIATION OF CENTRAL IOWA ET AL.

CERTIORARI TO THE SUPREME COURT OF IOWA

No. 02–695. Argued April 29, 2003—Decided June 9, 2003

An Iowa law that, among other things, authorized racetracks to operate slot machines and imposed a graduated tax upon racetrack slot machine adjusted revenues, with a top rate that started at 20 percent and would automatically rise over time to 36 percent, left a 20 percent tax rate on riverboat slot machine adjusted revenues in place. Respondents, racetracks and a dog owners' association, filed a state-court suit challenging the law on the ground that the 20 percent/36 percent tax rate difference violated the Equal Protection Clause, U. S. Const., Amdt. 14, §1. The District Court upheld the statute, but the Iowa Supreme Court reversed.

Held:

1. This Court has jurisdiction to review the state court's judgment, which does not rest independently upon state law. The state court's opinion says that Iowa courts should apply the same analysis in considering either state or federal equal protection claims. In such circumstances, this Court considers a state-court decision as resting upon federal grounds sufficient to support jurisdiction. Pp. 2–3.

2. Iowa's differential tax rate does not violate the Federal Equal Protection Clause. A law, such as Iowa's, that distinguishes for tax purposes among revenues obtained within a State by two enterprises conducting business in the State, is subject to rational-basis review. See *Nordlinger* v. *Hahn,* 505 U. S. 1, 11–12. The Iowa law, like most laws, might predominately serve one general objective, *e.g.,* rescuing racetracks from economic distress, while containing subsidiary provisions that seek to achieve other desirable (perhaps even contrary) ends as well, thereby producing a law that balances objectives but still serves the general objective when seen as a whole. And this law, *seen as a whole*, does what the state court says it seeks to do, namely, advance

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the racetracks' economic interests. A rational legislator might believe that the law's grant to the racetracks of authority to operate slot machines should help the racetracks economically—even if its simultaneous imposition of a tax on revenue means less help than respondents might like—and the Constitution grants legislators, not courts, broad authority (within the bounds of rationality) to decide whom they wish to help with their tax laws and how much help those laws should provide. Once one realizes that not every provision in a single law must share a single objective, one has no difficulty finding the necessary rational support for the difference in tax rates here. Though harmful to the racetracks, it is helpful to the riverboats, which were also facing financial peril. This is not a case where the facts preclude any plausible inference that the reason for the different tax rates is to help the riverboat industry. Cf. *Nordlinger, supra,* at 16. *Allegheny Pittsburgh Coal Co.* v. *Commission of Webster Cty.,* 488 U. S. 336, distinguished. Pp. 3–7.

648 N. W. 2d 555, reversed and remanded.

BREYER, J., delivered the opinion for a unanimous Court.