

**Syllabus**

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****Syllabus****DIRECTOR OF REVENUE OF MISSOURI *v.* COBANK  
ACB, AS SUCCESSOR TO THE NATIONAL BANK FOR  
COOPERATIVES****CERTIORARI TO THE SUPREME COURT OF MISSOURI**

No. 99-1792. Argued November 28, 2000—Decided February 20, 2001

The Farm Credit Act of 1933 created various lending institutions within the Farm Credit System— including banks for cooperatives—and addressed their taxation. Each of these institutions is designated as a federally chartered instrumentality of the United States. *E.g.*, 12 U. S. C. §2121. Respondent CoBank ACB is the successor to all rights and obligations of a bank for cooperatives. In 1996, CoBank filed amended returns on behalf of that bank, requesting an exemption from all Missouri corporate income taxes and refunds on the taxes it paid for 1991 through 1994. CoBank asserted that the Supremacy Clause accords federal instrumentalities immunity from state taxation unless Congress has expressly waived this immunity, and that, because the Act's current version does not expressly do so, banks for cooperatives are exempt from Missouri's corporate income tax. The State denied the request, but the State Supreme Court reversed, stating that because the Act's current version is silent as to such banks' tax immunity, Congress cannot be said to have expressly consented to state income taxation and, thus, the banks are exempt.

*Held:* Banks for cooperatives are subject to state income taxation.  
Pp. 5–9.

(a) Congress has provided that banks for cooperatives are subject to state taxation. The 1933 Act subjected such banks to state taxation except when the United States held stock in the banks. As soon as governmental investment in the banks was repaid (as it was by 1968), the banks had to pay state income taxes because the exemption from such taxation no longer applied. Congress did not change

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that rule when it amended the Act in 1971. Nor did various 1985 amendments— which discontinued the Government’s authority to own stock in banks for cooperatives and deleted the two sentences within 12 U. S. C. §2134 that exempted such a bank from state taxation when the Government held stock in the bank— expressly change the taxation of banks for cooperatives. And, it would be surprising, indeed, if Congress had eliminated the States’ ability to collect revenue from the banks *sub silentio*. The more logical interpretation, and one that accords with the Act’s more than 50-year history, is that Congress merely deleted language in §2134 that had become superfluous once the United States no longer owned, and no longer could own, stock in banks for cooperatives. Pp. 5–8.

(b) The Act’s structure confirms that banks for cooperatives are subject to state taxation. With respect to each lending institution in the Farm Credit System, the Act contains a taxation provision that specifically delineates that entity’s tax immunity. Banks for cooperatives have been granted only limited tax exemptions. Had Congress intended to confer upon them the more comprehensive exemption it provided for other types of institutions, it would have done so expressly. Pp. 8–9.

10 S. W. 3d 142, reversed and remanded.

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