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Putting State Courts in the Constitutional Driver’s Seat: State Taxpayer Standing After Cuno and Winn

by EDWARD A. ZELINSKY*

I. Introduction

Ohio provided a franchise tax credit to corporations which invested in “manufacturing machinery and equipment” within the Buckeye State.1 In DaimlerChrysler Corp. v. Cuno, the Supreme Court unanimously held that Ohio taxpayers lack standing in the federal courts to challenge this state tax credit as a violation of the dormant Commerce Clause.2 Similarly, Arizona provides an income tax credit for contributions to school tuition organizations.3 In Arizona Christian School Tuition Organization v. Winn, a narrowly divided Court held that Arizona taxpayers also lack standing in the federal courts to mount an Establishment Clause challenge to this state tax credit.4 Taken together, Cuno and Winn definitively terminated the possibilities of taxpayer standing previously opened by Flast v. Cohen.5

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[1]
I write to evaluate state taxpayer standing after Cuno and Winn. In particular, I write to explore state taxpayers' standing to mount the kind of federal constitutional challenges to state taxes and expenditures raised in those two cases. I come to three principal conclusions. First, because the states have more liberal taxpayer standing rules than do the federal courts, Cuno and Winn will not terminate taxpayers' constitutional challenges to state taxes and expenditures, but will instead channel such challenges from the federal courts (where taxpayers do not have standing) to the state courts (where they do). Second, municipal taxpayer standing in the federal courts, which persists after Cuno and Winn, is an historic anomaly, given what is now a near-absolute bar in the federal courts on state taxpayer standing. Third, as a result of the channeling caused by Cuno and Winn, in the future, state courts will develop a body of law under the U.S. Constitution governing state taxes and outlays. This body of law will be beyond direct Supreme Court review because of that Court's rejection of state taxpayer standing in the federal courts. At least at the margins, and perhaps more fundamentally, state court judges will be more inclined than their federal counterparts to uphold state tax and expenditure policies against constitutional challenges. Consequently, these state-friendly cases premised on the U.S. Constitution, as developed by the state courts and unsupervised by the Supreme Court, will be more permissive toward state policies than would a comparable corpus of cases decided by federal judges. This result will be untidy, but potentially manageable.

The first section of this Article outlines the Supreme Court's pre-Cuno taxpayer standing case law, from its origins in Frothingham v. Mellon through ASARCO v. Kadish. This is a circuitous story of negation, followed by expansion, and culminating in disorderly

6. Unfortunately, we do not have a convenient phrase to distinguish a taxpayer's standing for a particularized challenge to the taxpayer's own individual tax liability from a taxpayer's standing to mount a more generalized, public interest-type challenge to taxes and public outlays in the absence of such particularized harm. Taxpayer standing of the latter sort is the focus of this Article. Thus, the phrase "taxpayer standing" in this Article refers to a taxpayer's ability to contest, not his own individualized tax liability, but taxes and expenditures as they generally affect all taxpayers. This Article makes clear when it refers to taxpayer standing as an objection to individual tax liability.

7. 262 U.S. 447 (1923).

retreat as the U.S. Supreme Court moved from a rule of no-state-taxpayer-standing to a more expansive approach, but then reverted back to a restrictive view of state taxpayer standing, accompanied by continuing dissent advocating the broader standing possibilities raised by *Flast*. Against this background, the second section of this Article discusses *Cuno* and *Winn*. These decisions ended the disorder of the post-*Flast* retreat by firmly establishing that state taxpayers lack standing in the federal courts and that there is no longer a dissenting strain seeking the broader possibilities for taxpayer standing raised by *Flast*. *Winn* and *Cuno* have brought federal taxpayer standing law full circle, back to *Frothingham* and *Doremus* and the denial of standing in the federal courts to both federal and state taxpayers.

The third section of this Article reviews state taxpayer standing rules. These rules generally grant state taxpayers the standing they now lack in the federal courts. The fourth section of this Article concludes that, because of states’ more liberal standing rules, *Cuno* and *Winn* will shift state taxpayers’ constitutional challenges to state tax and budgetary policies from the federal courts (where state taxpayers do not have standing) to the state courts (where they typically do). The fifth section argues that municipal taxpayer standing to contest local taxes and expenditures in the federal courts is today an historic anomaly, given the virtual extinction of state taxpayer standing in the federal courts after *Cuno* and *Winn*.

The sixth section of this Article predicts that, as a result of *Cuno*, *Winn*, and the states’ more liberal taxpayer standing rules, there will emerge a body of constitutional law over which the U.S. Supreme Court will have no direct supervisory authority—namely, the decisions of state courts resolving state taxpayers’ challenges under the U.S. Constitution to state tax and spending policies. Taxpayers will have standing to bring such constitutional challenges in the state courts, but the U.S. Supreme Court will lack the ability to review these decisions of the state courts because there is no taxpayer standing in these cases in the federal courts. At least at the margins and perhaps more fundamentally, this body of law, developed by the state courts under the U.S. Constitution, will be more state-friendly than would a comparable corpus of cases formulated by the federal judiciary. As previously stated, this result will be messy, but potentially workable.
II. The Background to Cuno and Winn: The Circuitous Path From Frothingham to ASARCO

A. Early Cases Denying Taxpayer Standing: Frothingham and Doremus

The circuitous path from Frothingham to Asarco is a path of negation, then expansion, and ultimately disorderly retreat as the Supreme Court, over consistent dissent, returned toward the restricted view of state taxpayer standing it started with early in the 20th century.9

In Frothingham, the Supreme Court “first faced squarely the question whether a litigant asserting only his status as a taxpayer has standing to maintain a suit in federal court . . . .”10 In that case, Mrs. Frothingham, as “a taxpayer of the United States,”11 claimed that the expenditures authorized by the federal Maternity Act violated the Tenth Amendment12 and would “increase the burden of future taxation and thereby take her property without due process of law.”13 In denying her standing to sue, the Court contrasted a federal taxpayer’s “minute and indeterminable”14 interest in the national fisc with the “direct and immediate”15 interest of a local taxpayer in a locality’s public outlays, an interest resembling “that subsisting between stockholder and private corporation.”16 To invoke the power of the federal courts to challenge a federal appropriations statute, the party “must be able to show not only that the statute is invalid but that he has sustained or is immediately in danger of sustaining some direct injury as a result of its enforcement . . . .”17 In contrast to a municipal taxpayer’s significant interest in local expenditures, a federal taxpayer’s interest in the nation’s fisc “is shared with millions

9. As part of a broader reconsideration of standing doctrine, Judge Fletcher is skeptical of the concept of taxpayer standing. William A. Fletcher, The Structure of Standing, 98 YALE L.J. 221, 267–272 (1988) (“In sum, Flast, Valley Forge, Richardson and Schlesinger should not be seen as a group of ‘federal taxpayer cases.’”). Whatever the merits of this broader reconsideration, Winn and Cuno make clear that “taxpayer standing” is a deeply embedded federal concept. This article therefore proceeds from that concept.

11. Frothingham, 262 U.S. at 486.
12. Id. at 479.
13. Id. at 486.
14. Id. at 487.
15. Id. at 486.
16. Id. at 487.
17. Id. at 488.
of others [and] is comparatively minute and indeterminable." Any particular federal appropriation’s “effect upon future taxation” is too “remote, fluctuating and uncertain” to provide a basis for a lawsuit challenging the constitutionality of the federal statute authorizing such appropriation.

Moreover, the Frothingham Court observed, “[t]he administration of any statute” like the Maternity Act “is essentially a matter of public and not of individual concern.” If Mrs. Frothingham, as a federal taxpayer, could challenge this Act, “then every other taxpayer may do . . . the same” as to any other federal appropriations statute. The “attendant inconveniences” of this conclusion indicated that Mrs. Frothingham’s suit as a federal taxpayer “cannot be maintained.” In the absence of a plaintiff asserting “some direct injury suffered or threatened,” for the courts to entertain litigation like Mrs. Frothingham’s “would not be to decide a judicial controversy, but to assume a position of authority over the governmental acts of another and coequal department, an authority which plainly we do not possess.”

In denying Mrs. Frothingham’s standing as a federal taxpayer, Frothingham propounds the themes that the Court later explored in taxpayer standing cases: Any federal taxpayer has a small and uncertain interest in any particular federal outlay. That minute interest, shared in common with myriad other federal taxpayers, is best addressed politically, rather than judicially. Even if a federal taxpayer could get a particular federal expenditure enjoined, there is no guarantee that this would redress the harm to the taxpayer since Congress might use the money saved for purposes other than the reduction of the plaintiff-taxpayer’s taxes. Permitting lawsuits like Mrs. Frothingham’s would open the floodgates to similar lawsuits and would upset the separation of powers. Hence, a federal taxpayer, in contrast to her local counterpart, cannot challenge a federal expenditure in the federal courts. She can, of course, contest her own particularized tax liability, but cannot challenge taxes and

18. Id. at 487.
19. Id.
20. Id.
21. Id.
22. Id.
23. Id.
24. Id. at 488.
25. Id. at 489.
governmental outlays as they affect the general public of which she is a part.

A generation after *Frothingham*, in *Doremus v. Board of Education* 26 Justice Jackson, writing for himself and five of his colleagues, 27 extended the no-taxpayer-standing rule of *Frothingham* from federal to state taxpayers, while reiterating the different standing status of municipal taxpayers in the federal courts. *Doremus* involved a New Jersey state statute requiring “the reading, without comment, of five verses of the Old Testament at the opening of each public-school day.” 28 The *Doremus* plaintiffs challenged the statute as “citizen[s]” and as “taxpayer[s].” 29 Despite doubts about the plaintiffs’ standing, the New Jersey Supreme Court reached the merits of the case and upheld the Garden State’s statute under the First Amendment. 30 The U.S. Supreme Court, however, reversed, holding that the citizen/plaintiff-taxpayers in *Doremus* had no “direct and particular financial interest” affording them standing to challenge the New Jersey law in the federal courts. 31 The *Doremus* Court quoted with approval *Frothingham*’s observation that municipal taxpayers have “direct and immediate” interests which give them standing as such to challenge local outlays. 32 However, state taxpayers as such do not have standing in the federal courts to challenge state statutes.

The *Doremus* taxpayers, like Mrs. Frothingham, did not contest their particular tax liabilities. Rather, in this case also, the plaintiffs asserted that their status as taxpayers enabled them to challenge state statutes in the federal courts on constitutional grounds without demonstrating individualized consequences unique to them. This, Justice Jackson wrote, was not “a good-faith pocketbook action” in which the plaintiffs “established the requisite special injury necessary to a taxpayer’s case or controversy.” 33

The teaching of *Doremus* is that the U.S. Supreme Court cannot review state court decisions raising federal questions when the state

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27. Justices Reed and Burton joined Justice Douglas in dissent. Id. at 435 (Douglas, J., dissenting).
28. Id. at 430.
29. Id. at 431.
30. Id. at 431–432.
31. Id. at 435 (Douglas, J., dissenting).
32. Id. at 433–34 (quoting Frothingham v. Mellon, 262 U.S. 447, 486 (1923)).
33. Id. at 434.
courts grant standing to a state taxpayer under rules more liberal than the federal standing rules. Thus, after *Frothingham* and *Doremus*, a clear set of guidelines governed taxpayer standing in the federal courts: Absent a particularized claim specific to a federal or state taxpayer, such a taxpayer lacks standing in the federal courts. In contrast, a municipal taxpayer has standing to mount a generalized challenge to municipal outlays or taxes in federal court by virtue of his status as such a local taxpayer. When a state taxpayer like Mr. *Doremus* establishes standing in the state courts to challenge under the U.S. Constitution a state program or expenditure, the decision of the state supreme court is final since the taxpayer lacks standing to seek certiorari in the U.S. Supreme Court.

In his *Doremus* dissent, Justice Douglas presaged two issues that would subsequently recur in the Court’s taxpayer standing jurisprudence. Justice Douglas would have granted the *Doremus* taxpayers standing since, if such taxpayers “were right in their [Establishment Clause] contentions on the merits, they would establish that their public schools were being deflected from the educational program for which the taxes were raised.” This observation foreshadows the Court’s conclusion in *Flast* that taxpayers as such, notwithstanding *Frothingham*, can have standing to challenge congressional appropriations in the federal courts. Moreover, Justice Douglas wrote, once New Jersey granted the *Doremus* taxpayers standing, “the clash of interests [was] . . . real and . . . strong.” Consequently, there was a “case or controversy within the meaning of Art[icle] III, [Section] 2 of the Constitution.”

34. Of particular interest was Justice Jackson’s characterization in *Doremus* of the New Jersey court’s decision as “advisory.” *Id.* at 434. The import of this label is, at best, unclear. The U.S. Supreme Court did not reverse or vacate the *Doremus* decision of the New Jersey Supreme Court. That state court decision on the merits, left intact by the U.S. Supreme Court’s refusal to hear the case, presumptively controls as a matter of *stare decisis* in the future decisions of the New Jersey Supreme Court. See *Flomerfelt v. Cardiello*, 202 N.J. 432, 463 (2010) (concurring opinion of LaVecchia, J.) (“That respect for stare decisis is the simple, and sole, reason for my concurrence in the judgment reached today.”). Moreover, the *Doremus* decision of the New Jersey Supreme Court binds the lower New Jersey courts. *Glaser v. Downes*, 126 N.J. SUPER 10, 16 (1973) (New Jersey trial court “is bound by the [state] Supreme Court decision in that case.”). As the U.S. Supreme Court later observed in *ASARCO*, state courts “possess the authority . . . to render binding judicial decisions that rest on their own interpretations of federal law.” *ASARCO Inc. v. Kadish*, 490 U.S. 605, 617 (1989) (citing, *inter alia*, 28 U.S.C. §1738). It is thus at best unclear what it means to characterize the New Jersey Supreme Court’s decision in *Doremus* as “advisory.”


36. *Id.* at 436.
Justice Douglas thereby framed the choices when a case arrives in the high court from a state with a more liberal taxpayer standing rule than the federal rule: To declare that there is no standing for federal purposes in such a setting turns away from the courthouse parties involved in a quite genuine "clash of interests" and leaves intact a state court decision that the U.S. Supreme Court might have reversed had it reached the merits.

B. Flast and the Promise of Broad Taxpayer Standing

A straightforward understanding of federal and state taxpayer standing emerges from Forthingham and Doremus: There is none. This bright line rule was subsequently upset in Flast v. Cohen, a decision which purported to inaugurate an expansion of taxpayer standing in the federal courts. In Flast, the Supreme Court held that, notwithstanding Forthingham, federal taxpayers had standing in the federal courts to challenge under the Establishment Clause of the First Amendment the expenditure of federal funds "to finance instruction in reading, arithmetic, and other subjects in religious schools, and to purchase textbooks and other instructional materials for use in such schools."38

Writing for the Flast Court, Chief Justice Warren suggested that Forthingham was unclear whether that decision "establishes a constitutional bar to taxpayer suits or whether the [Forthingham] Court was simply imposing a rule of self-restraint which was not constitutionally compelled."39 In constitutional terms, "the question of standing is related only to whether the dispute sought to be adjudicated will be presented in an adversary context and in a form historically viewed as capable of judicial resolution."40 Under this Article III standard, the Chief Justice wrote, "[a] taxpayer may or may not have the requisite personal stake in the outcome, depending upon the circumstances of the case."41 There is "no absolute bar in Article III [of the U.S. Constitution] to suits by federal taxpayers challenging allegedly unconstitutional federal taxing and spending programs."42 Rather, the relevant constitutional inquiry for standing

38. Id. at 85–86.
39. Id. at 92.
40. Id. at 101.
41. Id.
42. Id. Article III, § 1 of the Constitution describes "[t]he judicial Power" of the federal courts in terms of "Cases" and "Controversies."
purposes is whether under the particular circumstances "a federal taxpayer will be deemed to have the personal stake and interest that impart the necessary concrete adverseness" required by Article III and its case and controversy requirement.\(^{43}\)

With that observation, the Chief Justice opened to taxpayer standing the door *Frothingham* had closed: "[I]ndividuals who assert only the status of federal taxpayers" may have standing in federal court to "challenge the constitutionality of a federal spending program" if "they can demonstrate the necessary stake as taxpayers in the outcome of the litigation to satisfy Article III [standing] requirements."\(^{44}\)

Chief Justice Warren then characterized taxpayer standing as requiring two "nexuses"\(^{45}\): "a logical link between [taxpayer] status and the type of legislative enactment attacked" and "a nexus between [taxpayer] status and the precise nature of the constitutional infringement alleged."\(^{46}\) "When both nexuses are established, the litigant will have shown a taxpayer's stake in the outcome of the controversy and will be a proper and appropriate party to invoke a federal court's jurisdiction."\(^{47}\)

Moving to the opinion's denouement, Chief Justice Warren concluded that, under these tests, the *Flast* taxpayers had standing to maintain their litigation in the federal courts since they contested "an exercise by Congress of its power under Article I, Section 8, to spend for the general welfare,"\(^{48}\) "the challenged program involve[d] a substantial expenditure of federal tax funds,"\(^{49}\) and the taxpayers "alleged that the challenged expenditures violate[d] the Establishment and Free Exercise Clauses of the First Amendment."\(^{50}\)

To discern the drafter's intent behind the First Amendment, the Chief Justice invoked James Madison's "famous Memorial and Remonstrance Against Religious Assessments"\(^{51}\): "[T]he same authority which can force a citizen to contribute three pence only of

\(^{43}\) *Flast*, 392 U.S. at 101.

\(^{44}\) *Id.*

\(^{45}\) *Id.* at 103.

\(^{46}\) *Id.* at 102.

\(^{47}\) *Id.* at 103.

\(^{48}\) *Id.* at 103. Art. I, Section 8, cl. 1 reads as follows: "The Congress shall have Power To lay and collect Taxes, Duties, Imposts and Excises, to pay the Debts and provide for the common Defense and general Welfare of the United States . . ."

\(^{49}\) *Flast*, 392 U.S. at 103.

\(^{50}\) *Id.*

\(^{51}\) *Id.* See also Richard Brookhiser, James Madison 42 (2011).
his property for the support of any one establishment, may force him to conform to any other establishment in all cases whatsoever.”

From this vantage, the Chief Justice observed, the Establishment Clause “operates as a specific constitutional limitation upon the exercise by Congress of the taxing and spending power conferred by Art[icle] I, [Section] 8.”

“[T]he taxpayer in Frothingham attacked a federal spending program” and thereby established the first kind of nexus necessary for taxpayer standing, i.e., “a logical link between [taxpayer] status and the type of legislative enactment attacked.” However, Chief Justice Warren continued, Mrs. Frothingham lacked the second form of nexus necessary for taxpayer standing, as she alleged no breach of “a specific limitation upon [Congress’s] taxing and spending power.” Rather, Mrs. Frothingham, as a federal taxpayer, asserted harm under the less specific Tenth Amendment and the Due Process Clause of the Fifth Amendment.

Finally, the Flast Court observed that the Establishment Clause is not the only “specific . . . limitation [on Congress's] taxing and spending power.” In “future cases,” federal taxpayers might have standing to challenge federal spending under other “specific limitations” in the U.S. Constitution. Chief Justice Warren thereby indicated that Flast did not establish a limited standing rule for taxpayers mounting Establishment Clause challenges to taxes and spending. Rather, Flast opened the door as well to taxpayers contesting taxes and spending under similarly “specific limitations” of the Constitution.

In their concurrences, Justices Stewart and Fortas rejected this broad approach. Justice Stewart understood Flast as recognizing taxpayer standing “only [for] a federal taxpayer . . . to assert that a specific expenditure of federal funds violates the Establishment Clause of the First Amendment.” Justice Fortas similarly would have limited Flast to recognizing “the proposition that a taxpayer may

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52. Flast, 392 U.S. at 103 (internal quotation marks omitted).
53. Id. at 104.
54. Id. at 104–05.
55. Id.
56. Id. at 105.
57. Id.
58. Id.
59. Id.
60. Id. at 114 (Stewart, J., concurring).
maintain a suit to challenge the validity of a federal expenditure on the ground that the expenditure violates the Establishment Clause. As we shall see below, the restricted view of Flast advanced by Justices Stewart and Fortas has ultimately prevailed over the broader standing possibilities embraced by the Flast majority.

Dissenting alone in Flast, Justice Harlan critiqued virtually every aspect of the Chief Justice's opinion, including the distinction between the Establishment Clause (a sufficiently specific constitutional limitation on congressional spending to buttress taxpayer standing) and the Due Process Clause and the Tenth Amendment (insufficiently specific to give Mrs. Frothingham such standing). Rejecting this distinction, Justice Harlan asserted that there is no "historical evidence that properly permits the Court to distinguish, as it has here, among the Establishment Clause, the Tenth Amendment, and the Due Process Clause of the Fifth Amendment as limitations upon Congress'[s] taxing and spending powers." With literary flare, Justice Harlan continued, "only in some Pickwickian sense are any of the provisions with which the Court is concerned 'specific[ally]' limitations upon spending." Moreover, according to Justice Harlan, the taxpayers in Flast asserted the kind of generalized grievances that are insufficient for standing in the federal courts. "[T]axpayers' suits under the Establishment Clause are not in these circumstances meaningfully different from other public actions" in which the litigants seek to advance the public interest rather than remedy individualized harm.

The Flast appellants challenge an expenditure, not a tax. Where no such tax is involved, a taxpayer's complaint can consist only of an allegation that public funds have been, or shortly will be, expended for purposes inconsistent with the Constitution.

The interests he represents, and the rights he espouses, are, as they are in all public actions, those held in common by all citizens. To describe those rights and interests as personal,

62. Flast, 392 U.S. at 126.
63. Id. at 127.
64. Id. at 128.
65. Id.
and to intimate that they are in some unspecified fashion to be differentiated from those of the general public, reduces constitutional standing to a word game played by secret rules.66

“[P]ublic actions” like Flast, while “within the jurisdiction conferred upon the federal courts by Article III of the Constitution . . . might well alter the allocation of authority among the three branches of the Federal Government.”67

Justice Harlan’s lonely Flast dissent would prove prescient as the Court subsequently and awkwardly retreated from that decision’s full ramifications. At the time, however, Justice Harlan’s arguments were given the most credence by Justice Douglas who, in his separate concurrence, drew the opposite inference from those arguments than did Justice Harlan. Whereas Justice Harlan would have rejected taxpayer standing in Flast on the basis of Frothingham, Justice Douglas, invoking “the reasons stated by my Brother Harlan,” would have used Flast to get “rid of Frothingham here and now.”68

Writing in support of “liberal”69 rules for taxpayer standing, Justice Douglas stated that “[t]axpayers can be vigilant private attorneys general” notwithstanding interests which are “de minimis by financial standards.”70 Equally important is “the role that the federal judiciary was designed to play in guarding basic rights against majoritarian control.”71 Furthermore, “[t]here need be no inundation of the federal courts if taxpayers’ suits are allowed. There is a wise judicial discretion that usually can distinguish between the frivolous question and the substantial question . . . .”72

C. The Disorderly Post-Flast Retreat

While Chief Justice Warren’s Flast opinion raised the possibility of broad taxpayer standing in the federal courts, that possibility did not materialize. Instead, the Court awkwardly retreated from the expansive notion of federal taxpayer standing articulated in Flast, ultimately limiting Flast to its particular facts, i.e., taxpayers’

66. Id. at 128–29.
67. Id.
68. Id. at 107 (Douglas, J., concurring).
69. Id. at 114 (Stewart, J., concurring).
70. Id. at 109 (Douglas, J., concurring).
71. Id. at 110.
72. Id. at 112.
Establishment Clause challenges to congressional appropriations. Throughout this awkward retreat, significant minorities of the Court (often four justices) kept alive the promise of broader taxpayer standing promised by Flast.

The disorderly retreat from a broader application of Flast started with the Court’s simultaneous decisions in United States v. Richardson73 and Schlesinger v. Reservists Committee to Stop the War.74 In Richardson, a federal taxpayer asserted that the secrecy of the Central Intelligence Agency’s budget violates the constitutional requirement of Article I, Section 9, Clause 7 that “a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time.” For himself and four of his colleagues, Chief Justice Burger concluded that Mr. Richardson “falls short of the standing criteria of Flast”75 and instead “neatly . . . falls within the Frothingham holding left undisturbed” by Flast, i.e., no standing for federal taxpayers suing without asserting individualized harm.76 Mr. Richardson, unlike the plaintiff-taxpayers in Flast, did not contest Congress’s exercise of “the taxing and spending power”77 but, rather, attacked the statute that kept the CIA’s budget secret. “[T]here is,” Chief Justice Burger reasoned, “no ‘logical nexus’ between the asserted status of taxpayer and the claimed failure of the Congress to require the Executive to supply a more detailed report of the expenditures of” the CIA.78 This claim failed “the standards for taxpayer standing set forth in Flast”79 since the taxpayer merely sought “to employ a federal court as a forum in which to air his generalized grievances about the conduct of government.”80

The taxpayer’s inability to obtain information about the CIA’s budget is an alleged harm that is “plainly undifferentiated and common to all members of the public.”81 In short, a five justice majority concluded that Mr. Richardson lacked standing since “he has not alleged that, as a taxpayer, he is in danger of suffering any

75. Richardson, 418 U.S. at 174.
76. Id. at 174–75.
77. Id. at 175.
78. Id.
79. Id.
80. Id. (internal quotation marks omitted).
81. Id. at 177 (internal quotation marks omitted).
particular concrete injury as a result of the operation of [the] statute” which hides the CIA’s expenditures from public view.\textsuperscript{82} If that conclusion means that “no particular individual or class [can] litigate these claims,”\textsuperscript{83} that suggests that “the subject matter is committed to the surveillance of Congress, and ultimately to the political process.”\textsuperscript{84}

Justice Powell joined Chief Justice Burger’s \textit{Richardson} opinion and also concurred separately to urge the Court to “lay to rest the approach undertaken in \textit{Flast}.”\textsuperscript{85} While he begrudgingly accepted \textit{Flast} as having “settled that federal taxpayer standing exists in Establishment Clause cases,”\textsuperscript{86} Justice Powell decried “the doctrinal confusion inherent in the \textit{Flast} two-part ‘nexus’ test.”\textsuperscript{87} “The lack of real meaning and of principled content in the \textit{Flast} ‘nexus’ test renders it likely that it will in time collapse of its own weight.”\textsuperscript{88}

The four dissenters in \textit{Richardson} produced three separate opinions and demonstrated the continuing hold on a significant minority of the Court of \textit{Flast}’s promise of broad taxpayer standing. Justice Douglas reprised the theme, expressed in his \textit{Flast} concurrence, of judicial solicitude for claims like Mr. Richardson’s: Rather than being forced to pursue his inquiry politically through Congress and the Executive branch, the courts should protect Mr. Richardson’s “stake in the integrity of constitutional guarantees rather than turning him away without even a chance to be heard.”\textsuperscript{89} Justice Stewart, joined by Justice Marshall, contended that Mr. Richardson had standing to litigate the “asserted duty” under Article I, Section 9, Clause 7 because that alleged duty was “particularized, palpable, and explicit.”\textsuperscript{90} Justice Brennan wrote a dissent covering both \textit{Richardson} and \textit{Schlesinger}.

Simultaneously with \textit{Richardson}, Chief Justice Burger also wrote for a six-justice majority in \textit{Schlesinger}.\textsuperscript{92} In that case, the plaintiffs, as citizens and taxpayers, sued the Secretary of Defense and the

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\textsuperscript{82.} \textit{Id.}  \\
\textsuperscript{83.} \textit{Id. at 179.}  \\
\textsuperscript{84.} \textit{Id.}  \\
\textsuperscript{85.} \textit{Id. at 180.}  \\
\textsuperscript{86.} \textit{Id.}  \\
\textsuperscript{87.} \textit{Id.}  \\
\textsuperscript{88.} \textit{Id. at 184.}  \\
\textsuperscript{89.} \textit{Id. at 202.}  \\
\textsuperscript{90.} \textit{Id. at 204.}  \\
\textsuperscript{92.} Justice Stewart dissented in \textit{Richardson}, but joined the majority in \textit{Schlesinger}.\end{flushright}
secretaries of the Army, Navy, and Air Force. Writing for the Court, the Chief Justice held that these citizens and federal taxpayers lacked standing as such to contend in federal court that “Article I, Section 6, Clause 2 of the Constitution renders a member of Congress ineligible to hold a commission in the Armed Forces Reserve during his continuance in office.” As citizens, the Schlesinger plaintiffs merely asserted an interest “held in common by all members of the public.” In contrast, standing in federal court requires “[c]oncrete” and “particular injury,” a “personal stake” in the outcome of the litigation.

Similarly, there was no taxpayer standing under Flast since the plaintiffs “did not challenge an enactment under Art[icle] I, [Section] 8, but rather the action of the Executive Branch in permitting Members of Congress to maintain their Reserve status.”

Concurring separately, Justice Stewart, who favored taxpayer standing in Richardson, distinguished Mr. Richardson from the Schlesinger taxpayers on the ground that those taxpayers, unlike Mr. Richardson, “do not allege that the petitioners” have refused to perform an affirmative duty imposed upon them by the Constitution.” Justice Stewart also distinguished the Flast taxpayers (who had standing) from the Schlesinger taxpayers (who did not) on the ground that Flast only conferred standing if a taxpayer “challenge[s] . . . an exercise of [Congress’s’s] taxing and spending power.”

Consistent with his Flast concurrence and his Richardson dissent, Justice Douglas, joined by Justice Marshall, repudiated the notion of standing altogether, dismissing standing, inter alia, as a doctrine which “protects the status quo by reducing the challenges that may be made to it and to its institutions” in federal court.

93. Schlesinger, 418 U.S. at 209 (internal quotation marks omitted). That clause of the Constitution reads: “No Senator or Representative shall, during the Time for which he was elected, be appointed to any civil Office under the Authority of the United States, which shall have been created, or the Emoluments whereof shall have been increased during such time; and no Person holding any Office under the United States, shall be a Member of either House during his Continuance in Office.”

94. Id. at 220.
95. Id. at 221.
96. Id.
97. Id. at 228.
98. Id. at 228–29 (Stewart, J., concurring).
99. Id. at 229.
100. Id. at 229 (Douglas, J., dissenting).
contended that both the taxpayer in Richardson and the taxpayers in Schlesinger "alleged injury in fact"\textsuperscript{101} and thus had standing to sue. Justice Marshall, writing for himself, claimed that the Schlesinger taxpayer-plaintiffs possessed standing since they asserted "a claim of direct and concrete injury to a judicially cognizable interest,"\textsuperscript{102} namely, their right to lobby against the Vietnam War before "Congressmen not subject to a conflict of interest by virtue of their positions in the Armed Forces Reserves."\textsuperscript{103}

The divisive retreat from Flast's expansive view of taxpayer standing continued in Valley Forge Christian College v. Americans United for Separation of Church & State, Inc.\textsuperscript{104} In that case, federal taxpayers challenged on First Amendment grounds the free transfer of surplus federal property to a nonprofit religious school. Unlike the federal expenditure at issue in Flast, which was authorized by Congress under Article I, Section 8 of the Constitution, the property conveyance challenged in Valley Forge was authorized by Congress under the Property Clause of Article IV, Section 3, Clause 2 of the Constitution.\textsuperscript{105} For a five-justice majority, that distinction proved controlling: Because the federal legislation authorizing the challenged transfer "was an evident exercise of Congress' power under the Property Clause,"\textsuperscript{106} Flast did not apply. Moreover, unlike the Flast taxpayers, the plaintiffs in Valley Forge challenged, not the constitutionality of federal legislation, but an administrative "transfer [of] a parcel of federal property."\textsuperscript{107} For these two reasons, the Valley Forge taxpayers, unlike their Flast counterparts, lacked standing in federal court.

Writing for the Valley Forge majority, then-Justice Rehnquist characterized standing as "a blend of constitutional requirements and prudential considerations."\textsuperscript{108} A key requirement for standing is that the plaintiff allege "actual injury redressable by the court."\textsuperscript{109} The Valley Forge taxpayer-plaintiffs failed this test:

\begin{itemize}
\item \textsuperscript{101} Id. at 237 (Brennan, J., dissenting).
\item \textsuperscript{102} Id. at 239 (Marshall, J., dissenting).
\item \textsuperscript{103} Id. at 239.
\item \textsuperscript{104} Valley Forge Christian Coll. v. Am. United for Separation of Church & State, 454 U.S. 464 (1982).
\item \textsuperscript{105} "The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States . . . ."
\item \textsuperscript{106} Valley Forge, 454 U.S. at 480.
\item \textsuperscript{107} Id. at 479.
\item \textsuperscript{108} Id. at 471.
\item \textsuperscript{109} Id. at 473.
\end{itemize}
The complaint in this case shares a common deficiency with those in *Schlesinger* and *Richardson*. Although respondents claim that the Constitution has been violated, they claim nothing else. They fail to identify any personal injury suffered by them as a consequence of the alleged constitutional error, other than the psychological consequence presumably produced by observation of conduct with which one disagrees. That is not an injury sufficient to confer standing under Art. III, even though the disagreement is phrased in constitutional terms. It is evident that respondents are firmly committed to the constitutional principle of separation of church and State, but standing is not measured by the intensity of the litigant's interest or the fervor of his advocacy. "[T]hat concrete adverseness which sharpens the presentation of issues," *Baker v. Carr*, 396 U.S. at 204, is the anticipated consequence of proceedings commenced by one who has been injured in fact; it is not a permissible substitute for the showing of injury itself.\(^{110}\)

This restricted view of standing means that, in some potential Establishment Clause situations, there will be no plaintiff with standing to sue. "But the assumption that if respondents have no standing to sue, no one would have standing, is not a reason to find standing."\(^{111}\)

Reflecting the continuing adherence of many justices to the broader taxpayer standing envisioned in *Flast*, Justice Brennan wrote a *Valley Forge* dissent in which Justices Marshall and Blackmun joined.\(^{112}\) Among his other objections, Justice Brennan identified an issue which would be important both to the critics of *Valley Forge* and to the *Winn* dissenters: fungibility.\(^{113}\) "It can make no

\(^{110}\) *Id.* at 485–86

\(^{111}\) *Id.* at 489 (quoting *Schlesinger* v. *Reservists Comm. to Stop the War*, 418 U.S. 208, 227 (1974)).

\(^{112}\) *Id.* at 490.

\(^{113}\) See, e.g., Mark C. Rahdert, *Forks Not Taken and Roads Not Taken: Standing to Challenge Faith-Based Spending*, 32 CARDOZO L. REV. DE NOVO 1009, 1039 (2011) (discussing *Valley Forge* and "the functional equivalence between grants of money and grants of marketable property."); and *id.* at 1065–67 ("Government donations of valuable resources (such as real property) to religion and grants of government funds to religion are relatively fungible methods for providing religion with financial support. If one means is prohibited by the Establishment Clause, the other ought to be equally so . . . ."); see also Nancy C. Staudt, *Taxpayers in Court: A Systematic Study of a (Misunderstood) Standing
constitutional difference in the case before us whether the donation to the petitioner here was in the form of a cash grant to build a facility or in the nature of a gift of property including a facility already built."\textsuperscript{114} The difference between cash and property, embraced by the \textit{Valley Forge} majority, "is a meaningless distinction."\textsuperscript{115}

Writing separately in dissent, Justice Stevens reiterated that, for purposes of taxpayer standing, the fungibility of money and property eroded the majority's distinction between them:

[The Court's] decision rests on the premise that the difference between a disposition of funds pursuant to the Spending Clause and a disposition of realty pursuant to the Property Clause is of fundamental jurisprudential significance. With all due respect, I am persuaded that the essential holding of \textit{Flast v. Cohen} attaches special importance to the Establishment Clause and does not permit the drawing of a tenuous distinction between the Spending Clause and the Property Clause.\textsuperscript{116}

In \textit{Bowen v. Kendrick}, the Court found standing in a way that confirmed \textit{Flast}’s increasingly limited ambit.\textsuperscript{117} In \textit{Kendrick}, federal taxpayers mounted both facial and as-applied challenges to the Adolescent Family Life Act ("AFLA") under the Free Exercise and Establishment Clauses.\textsuperscript{118} No one disputed the taxpayers’ standing under \textit{Flast} to challenge the AFLA facially.\textsuperscript{119} The as-applied challenge, the Court also held, fell squarely within "the narrow exception [\textit{Flast}] created to the general rule against taxpayer standing established in \textit{Frothingham v. Mellon}.")\textsuperscript{120} That is to say, the taxpayers in \textit{Kendrick}, like the taxpayers in \textit{Flast}, contested under the Establishment Clause a congressional exercise of the legislative

\textit{Doctrines,} 52 EMORY L.J. 771, 798 (2003) (criticizing \textit{Valley Forge} for making "distinctions [with \textit{Flast}] that seemed hollow at best and insincere at worst . . . [R]egardless of which constitutional provision authorized Congress to spend public money—the Taxing and Spending Clause or the Property Clause—the net result was exactly the same: a religious institution benefitted from government largesse.").

\textsuperscript{114.} \textit{Valley Forge}, 454 U.S. at 511-12 (internal citation omitted).
\textsuperscript{115.} \textit{Id.} at 512.
\textsuperscript{116.} \textit{Id.} at 515 (Stevens, J., dissenting).
\textsuperscript{117.} 487 U.S. 589 (1988).
\textsuperscript{118.} \textit{Id.} at 597.
\textsuperscript{119.} \textit{Id.} 487 U.S. at 618.
\textsuperscript{120.} \textit{Id.}
“taxing and spending power [under] Article I, [Section] 8, of the Constitution.”\textsuperscript{121} Because this challenge to the AFLA was indistinguishable from the taxpayers’ claims in \textit{Flast}, the \textit{Kendrick} taxpayer-plaintiffs had standing to pursue this as-applied challenge in the federal courts. However, writing for another five-justice majority, then Chief Justice Rehnquist made clear that the broader possibilities of \textit{Flast} had been cabined by \textit{Richardson}, \textit{Schlesinger}, and \textit{Valley Forge}.

For himself and three of his colleagues, Justice Blackmun dissented on the merits, but agreed with the majority that the \textit{Kendrick} taxpayers had standing to sue in the federal courts.\textsuperscript{122} Thus, the \textit{Kendrick} Court, while narrowly divided on the underlying validity of the taxpayers’ claims, unanimously agreed that, per \textit{Flast}, the taxpayers as such had standing in federal court to pursue those claims.

The U.S. Supreme Court’s final pre-\textit{Cuno} case on taxpayer standing was \textit{ASARCO Inc. v. Kadish}.\textsuperscript{123} In \textit{ASARCO}, Arizona state taxpayers alleged in the state courts that “Arizona’s statute governing mineral leases on state lands” violated “the federal laws that originally granted those lands from the United States to Arizona.”\textsuperscript{124} While the taxpayers’ suit was filed against various state defendants, the lessees, including \textit{ASARCO}, were permitted to intervene as defendants.\textsuperscript{125} On the merits, the state taxpayers prevailed in the Arizona courts.

On appeal from the Arizona Supreme Court, the U.S. Supreme Court held that the taxpayer-plaintiffs, who had standing in the Arizona courts to challenge the Arizona statute, lack standing in the federal courts per \textit{Frothingham} and \textit{Doremus}. In contrast to municipal taxpayers who have a “direct and immediate” interest in municipal revenues,\textsuperscript{126} state taxpayers are like federal taxpayers who, to establish standing, must assert “personal injury” rather than “generalized grievances” which are “purely abstract.”\textsuperscript{127} The Arizona taxpayers did not assert “the kind of particular, direct, and concrete injury that is necessary to confer standing to sue in the federal

\textsuperscript{121} \textit{Id.}
\textsuperscript{122} \textit{Id.} at 630 n.4 (Blackmun, J., dissenting).
\textsuperscript{123} 490 U.S. 605 (1989).
\textsuperscript{124} \textit{Id.} at 609.
\textsuperscript{125} \textit{Id.} at 610.
\textsuperscript{126} \textit{Id.} at 613 (quoting \textit{Frothingham v. Mellon}, 262 U.S. 447,487 (1923)).
\textsuperscript{127} \textit{Id.} 615–16.
It was "pure speculation" whether a taxpayer victory in this case would have "result[ed] in any tax relief for respondents" since the legislature could have responded to such a victory in a way which denied the taxpayers "direct pecuniary relief." A legislature can spend the money obtained for the state treasury by a taxpayer lawsuit for what the legislature wants, rather than on the spending or tax reduction the taxpayer-plaintiff seeks. Thus, the ASARCO plaintiffs flunked "the redressability prong of federal standing requirements," since an injunction invalidating the challenged mineral leases would not necessarily cause a reduction of the plaintiffs' tax burdens.

However, ASARCO and the other lessees had effectively lost in the Arizona courts as intervening defendants. This loss invalidated their leases by voiding the Arizona statute under which their leases were issued. The decisions of the Arizona courts had thus imposed upon these intervening defendants "specific" and "direct injury" by nullifying their leases. This "distinct and palpable" injury gave the lessee-defendants standing to appeal to the U.S. Supreme Court even though the taxpayer-plaintiffs who started the lawsuit lacked standing in the federal courts. Moreover, the ASARCO Court observed, failing to permit these defendant-lessees to appeal the adverse decision of the Arizona Supreme Court would erode the principle "that the binding application of federal law is uniform and ultimately subject to control by [the U.S. Supreme] Court."

When a state court has issued a judgment in a case where plaintiffs in the original action had no standing to sue under the principles governing the federal courts, we may exercise our jurisdiction on certiorari if the judgment of the state court causes direct, specific, and concrete injury to the parties who petition for our review, where the requisites of a case or controversy are also met.

128. Id. at 616.
129. Id. at 614.
130. Id.
131. Id. at 615.
132. Id. at 617–18.
133. Id. at 618 (quoting Warth v. Seldin, 422 U.S. 490, 500-01 (1975)) (internal quotation marks deleted).
134. Id. at 622.
135. Id. at 623–24.
Chief Justice Rehnquist, joined by Justice Scalia, dissented on the basis of *Doremus*: “[S]o far as Article III standing is concerned,” 136 the relevant inquiry is the injury alleged by the plaintiffs when they sue, not the injury to the defendants when they lose. “[A]ll that the [Supreme] Court has before it in the present case” are plaintiffs with “a generalized grievance about governmental action.” 137 Moreover, the inability of the U.S. Supreme Court, in situations like *ASARCO*, to review state court interpretations of the U.S. Constitution is “a largely imaginary problem.” 138 In particular, the Chief Justice noted, “[s]ome state courts render advisory decisions on federal law of no binding force even within the State” and this practice has not proved troublesome. 139

In short, over dissent, the *ASARCO* Court affirmed and elaborated *Doremus*. While state taxpayers cannot challenge state policies in the federal courts, particular beneficiaries of those policies, like the *ASARCO* lessees, having lost in the state courts, have standing if they can get the U.S. Supreme Court to grant certiorari.

To summarize: On the eve of *Cuno*, the taxpayer standing case law of the U.S. Supreme Court manifested a circuitous pattern of negation, followed by expansion, and then disorderly retreat. By the time of *ASARCO*, the Court, over significant and continuing dissent, had pulled back from the broader implications of *Flast*, returning toward the earlier restrictions of *Frothingham* and *Doremus*: Absent particularized injury, federal taxpayers have no standing to pursue generalized claims in the federal courts except in situations corresponding to *Flast*, namely, Establishment Clause challenges to congressional exercises of its tax and spending powers. The same rule applied to state taxpayers challenging state taxation and expenditures, though certain defendants might be able to overturn in the U.S. Supreme Court taxpayer victories in the state courts if those defendants are injured by state court decisions obtained by the taxpayers. In contrast, a municipal taxpayer has standing to challenge municipal taxes and outlays in the federal courts even in the absence of individualized harm.

136. *Id.* at 635 (Rehnquist, J., dissenting).
137. *Id.* at 636.
138. *Id.* at 637.
However, through ASARCO, the prospect of broader taxpayer standing articulated in Flast was kept alive by a strong current of dissent. In both Valley Forge and Richardson, four-justice minorities would have found taxpayer standing. There was also significant dissent in Schlesinger (where the dissenting justices would have found taxpayer standing) and in ASARCO (where they would not).

III. Cuno and Winn

A. Cuno

Against this disorderly background, the U.S. Supreme Court decided DaimlerChrysler v. Cuno. In Cuno, a unanimous Court made clear that the retreat from a broader application of Flast was complete. Along with Winn, Cuno definitively terminated the broader possibilities of taxpayer standing envisioned in Flast and kept alive in post-Flast dissent.

The provenance of Cuno can be understood in three mutually compatible ways. First, Cuno was a classic public interest lawsuit. As many commentators have noted, Ralph Nader played a critical role in stimulating the Cuno litigation.

Second, Cuno was also a response to the (quite accurate) perceptions that corporations have become adept at extracting state and local tax benefits, and that state and municipal officials have grown increasingly prone to grant such benefits. The upshot has been a prisoner's dilemma in which public officials opposing corporate tax benefits feel they must offer them to remain competitive in the face of the tax benefits extended to corporations by other states and localities. As a consequence of this interjurisdictional competition,
STATE TAXPAYER STANDING AFTER CUNO AND WINN

state and local tax bases have eroded and local tax rates have risen in light of diminished tax bases.\(^{143}\)

Finally, *Cuno* manifests the belief of important commentators in the robust application of the dormant Commerce Clause’s nondiscrimination principle. The lead attorney for the *Cuno* plaintiffs, Professor Peter Enrich, had attracted Nader’s attention through an article in which Enrich argues that the prisoner’s dilemma posed by state and local tax competition for industry can be resolved through the courts’ invocation of the dormant Commerce Clause.\(^{144}\) While others are skeptical of this claim on the legal merits,\(^{145}\) Enrich’s article reflects the optimistic outlook of prominent dormant Commerce Clause commentators that the nondiscrimination principle articulated under that clause can play a coherent and constructive role in policing state taxes.\(^{146}\)

The underlying facts of *Cuno* were straightforward and typical: “[T]o induce [DaimlerChrysler] to remain in Toledo, Ohio,”\(^{147}\) the City of Toledo and two local school districts extended to DaimlerChrysler a package of property tax exemptions authorized by

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143. *Id.* at 1145.
Ohio law.\footnote{Id. (citing OHIO. REV. CODE ANN. §§ 5709.62(C)(1) and 5709.631).} In addition, for its new investment in a Toledo plant, DaimlerChrysler received a tax credit against its Ohio franchise tax liability.\footnote{Id. (citing OHIO. REV. CODE ANN. § 5733.33).} The \textit{Cuno} plaintiffs originally challenged these tax provisions in the Lucas County Court of Common Pleas.\footnote{Cuno, 154 F. Supp.2d at 1198.} The defendants removed the litigation to the federal District Court which rejected the plaintiffs' subsequent motion to remand the case back to the Ohio state courts.\footnote{Id. at 1201–04.} Ironically in light of subsequent events, the \textit{Cuno} plaintiffs argued for remand, \textit{inter alia}, on the ground that, as state taxpayers, their claim to standing was stronger in the Ohio courts than in the federal courts.\footnote{The plaintiffs' position ultimately proved correct. DaimlerChrysler Corp. v. Cuno, 547 U.S. 332, 339 (2006).} On the merits, the District Court ruled that the state tax credit and the municipal property tax exemption violated neither Equal Protection nor the dormant Commerce Clause.

On appeal, the U.S. Court of Appeals for the Sixth Circuit affirmed the District Court's Equal Protection conclusions as well as the trial court's approval of the municipal property exemption under the Commerce Clause.\footnote{386 F.3d 738 (6th Cir. 2004).} However, in a dramatic ruling (at least to Commerce Clause mavens), the Sixth Circuit Court of Appeals held that the Ohio investment tax credit failed muster under the dormant Commerce Clause. This ruling engendered enormous controversy\footnote{As I observe in notes 142 and 145, supra, as a matter of tax policy, I agree with the concerns raised by the \textit{Cuno} plaintiffs but disagree with their dormant Commerce Clause analysis. A useful excellent compendium of \textit{Cuno} commentary is Kristin E. Hickman & Sarah L. Bunce, \textit{Symposium: DaimlerChrysler v. Cuno and the Constitutionality of State Tax Incentives for Economic Development}, 4 GEO. J.L. & PUB. POL'Y 15 (2006).} and, ultimately, a writ of certiorari from the U.S. Supreme Court.\footnote{DaimlerChrysler Corp. v. Cuno, 545 U.S. 1165 (2005) (granting certiorari).}

The high court, however, did not address the merits of the case but, rather, unanimously dismissed \textit{Cuno}\footnote{\textit{Cuno}, 547 U.S. 332 (2006).} on the grounds that the plaintiffs, as state taxpayers, lacked standing in the federal courts to challenge Ohio's state investment tax credits—even though it was the defendants who insisted on the removal of the case from the state courts.\footnote{Id. at 342 n.3.} There was in \textit{Cuno} none of the dissent which had occurred
in *Valley Forge*, *Richardson*, and *Schlesinger* and which kept alive the broader standing possibilities raised in *Flast*. Joined by seven of his colleagues, sixteen Chief Justice Roberts wrote that the no-taxpayer- standing rule of *Forthingham*, affirmed in these later decisions, applies, not only "to taxpayer challenges to expenditures that deplete the treasury," but as well "to taxpayer challenges to so-called 'tax expenditures,' which reduce amounts available to the treasury by granting tax credits or exemptions."

The injury asserted by the *Cuno* taxpayers is inadequate for standing in the federal courts because such injury is not "concrete and particularized," but rather constitutes a generalized grievance shared "in common with people generally." Moreover, for two reasons, such taxpayer injury is "conjectural or hypothetical." Challenged tax benefits might actually augment "government revenues" by "spur[ring] economic activity." This possibility belies any harm to the fisc and its taxpayers. Moreover, even if the elimination of a challenged tax benefit increases tax collections, the plaintiff-taxpayer has no right to insist that the resulting revenues be used to reduce his taxes or to "bolster ... programs that benefit him." Thus, the *Cuno* plaintiffs, as taxpayers, failed to assert injury "redressable" by an injunction against the Ohio tax credit. *Per Doremus* and *ASARCO*, this "rationale for rejecting federal taxpayer standing applies with undiminished force to state taxpayers" such as the *Cuno* plaintiffs. Affording such taxpayers the opportunity in federal court to challenge state "tax and spending provisions" is "contrary to the ... modest role Article III envisions for federal courts."

To establish standing in the federal courts, the *Cuno* taxpayer-plaintiffs argued that their dormant Commerce Clause challenge to Ohio’s investment tax credit was analogous to the Establishment Clause claim asserted by the *Flast* taxpayer-plaintiffs. Chief Justice

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158. See Justice Ginsburg’s separate concurrence, *Id.* at 354 (Ginsburg, J., concurring). This concurrence is discussed *infra* at notes 178–180 and accompanying text.
159. *Id.* at 343.
160. *Id.* at 343–44.
161. *Id.* (internal quotation marks omitted).
162. *Id.* (internal quotation marks omitted).
163. *Id.*
164. *Id.* at 344–345.
165. *Id.* at 344.
166. *Id.* at 345.
167. *Id.* at 346.
Roberts characterized this argument as “misguided” since taxpayers’ rights “under the Commerce Clause . . . are fundamentally unlike the[ir] right[s]” under the Establishment Clause:

[S]uch a broad application of Flast’s exception to the general prohibition on taxpayer standing would be quite at odds with its narrow application in our precedent and Flast’s own promise that it would not transform federal courts into forums for taxpayers’ generalized grievances.

The Cuno plaintiffs attempted in two ways to buttress their standing as state taxpayers by means of their standing as municipal taxpayers. First, the taxpayer-plaintiffs asserted that the investment tax credit extended to DaimlerChrysler, by diminishing Ohio’s revenues, left less state revenue available to distribute as state aid to municipalities. Thus, the state income tax credit hurt the Cuno plaintiffs as municipal taxpayers by diminishing state assistance to localities.

Rejecting this argument, the Chief Justice observed that this argument assumes that, if the Court invalidated Ohio’s investment tax credit, “the state government will choose to direct the supposed revenue from the restored franchise tax to municipalities. This is precisely the sort of conjecture we may not entertain in assessing standing.” That is to say, the additional revenues potentially obtained by the judicial invalidation of Ohio’s investment credit might be used by the legislature for other state spending or to reduce other state taxes, rather than being directed to the Buckeye State’s localities.

The Cuno plaintiffs’ second effort “to leverage” their standing as municipal taxpayers invoked the rule “that federal-question jurisdiction over a claim may authorize a federal court to exercise jurisdiction over state-law claims that may be viewed as part of the same case because they derive from a common nucleus of operative fact as the federal claim.” From this vantage, the plaintiffs’
challenge to the municipal property tax exemption (a federal question because the plaintiffs have federal standing as local taxpayers) allows the federal courts "to exercise supplemental jurisdiction" over the plaintiffs' challenge to the Ohio state income tax credit.\footnote{175}{Id.}

For the Court, Chief Justice Roberts said "no": Federal courts do not have "supplemental jurisdiction"\footnote{176}{Id.} absent "constitutional standing"\footnote{177}{Id. at 352}—which the \textit{Cuno} plaintiffs lacked as state taxpayers merely asserting generalized grievances:

Plaintiffs failed to establish Article III injury with respect to their \textit{state} taxes, and even if they did do so with respect to their \textit{municipal} taxes, that injury does not entitle them to seek a remedy as to the state taxes... [S]tanding is not dispensed in gross.\footnote{178}{Id. at 353 (Ginsburg, J, concurring) (internal citations and quotation marks deleted).}

Concurring, Justice Ginsburg described the denial of federal taxpayer standing to the "\textit{Cuno} plaintiffs as "solidly grounded" in \textit{Frothingham} and \textit{Doremus}.\footnote{179}{Id. at 354} She also indicated that, despite her reservations about other standing cases including \textit{Valley Forge}, she "accept[s]... the nonjusticiability of \textit{Frothingham}-type federal and state taxpayer suits in federal court..."\footnote{180}{Id. at 355}

\textit{Cuno} extinguished the current of dissent found in earlier post-\textit{Flast} decisions. Concurring separately, Justice Ginsburg also returned the Court's standing doctrine back to its restrictive roots in \textit{Frothingham} and \textit{Doremus}. \textit{Cuno} thus definitively closed the door to the broader taxpayer standing possibilities articulated by \textit{Flast} and kept alive by post-\textit{Flast} dissent.

It is instructive to identify, in the context of \textit{Cuno}, what Professor Rahdert has aptly called the roads not taken.\footnote{181}{Rahdert, \textit{supra}, note 113.} In light of the U.S. Supreme Court's decision in \textit{Cuno}, the \textit{Cuno} plaintiffs' argument to the District Court was correct: The case should have been remanded to the state courts, given the absence of federal taxpayer standing. Assuming that the \textit{Cuno} litigation had progressed
through the Ohio state courts, ASARCO indicates that, had the Cuno taxpayers lost in the Ohio courts, they would have lacked standing to press further. However, DaimlerChrysler (like the ASARCO lessees) would have had standing, had it lost in the Ohio courts, to apply for certiorari to the U.S. Supreme Court. Had the Cuno plaintiffs wanted to be in federal court, they could have pressed in federal court their Equal Protection and dormant Commerce Clause claims against the municipal property tax exemption while leaving the state tax credit for separate litigation in the state courts. As I argue below, this possibility is today an historic anomaly since the State of Ohio was intimately involved in the municipal property tax exemption extended to DaimlerChrysler.

B. Winn

In Winn, Arizona taxpayers mounted an Establishment Clause challenge to Arizona's income “tax credits for contributions to school tuition organizations, or STOs. STOs use these contributions to provide scholarships to students attending private schools, many of which are religious.” These Arizona taxpayers claimed standing under Flast and its rule that taxpayers who might otherwise lack standing nevertheless have the right to challenge in the federal courts government outlays which violate the Establishment Clause. Writing five years after Cuno for a five-justice majority, Justice Kennedy rejected this standing claim, holding that Flast grants taxpayers standing in federal court only to contest cash appropriations under the Establishment Clause, not to challenge tax benefits such as the Arizona tax credits.

Justice Kennedy started Winn with familiar themes from the Court's standing case law. Article III of the Constitution limits the federal courts' power to resolving “Cases” and “Controversies.” This limitation is integral to “[t]he concept and operation of the separation of powers.” “To state a case or controversy under Article III, a plaintiff must establish standing... [which] require[es] a particular injury.” Citing Frothingham, Doremus, Cuno, ASARCO and the Court's post-Cuno decision in Hein, the Winn Court

183. Id.
184. Id. at 1441
185. Id.
186. Id. at 1442.
declared that the general "rule against taxpayer standing, a rule designed both to avoid speculation and to insist on particular injury, applies to respondents' lawsuit."\(^{188}\)

The obvious exception to this rule, invoked by the taxpayer-plaintiffs, is *Flast*. The *Winn* plaintiffs argued that the Arizona "tax credit is, for *Flast* purposes, best understood as a governmental expenditure."\(^{189}\) Thus, as Arizona taxpayers, they had standing to challenge the credit on Establishment Clause grounds. However, Justice Kennedy wrote, "[t]hat is incorrect."\(^{190}\)

It is easy to see that tax credits and governmental expenditures can have similar economic consequences, at least for beneficiaries whose tax liability is sufficiently large to take full advantage of the credit. Yet tax credits and governmental expenditures do not both implicate individual taxpayers in sectarian activities. A dissenter whose tax dollars are extracted and spent knows that he has in some small measure been made to contribute to an establishment in violation of conscience. In that instance the taxpayer's direct and particular connection with the establishment does not depend on economic speculation or political conjecture. The connection would exist even if the conscientious dissenter's tax liability were unaffected or reduced. When the government declines to impose a tax, by contrast, there is no such connection between dissenting taxpayer and alleged establishment. Any financial injury remains speculative. And awarding some citizens a tax credit allows other citizens to retain control over their own funds in accordance with their own consciences.\(^{191}\)

Justice Kennedy's first observation in this passage—the "similar economic consequences" of tax credits and cash outlays for those receiving them—is today common ground. Consider, for example, an Arizona taxpayer who, before taking any tax credit, owes the state treasury $1,000 in income taxes. Suppose that Arizona either gives this taxpayer a credit of $200 against his tax liability or, alternatively, collects the $1,000 in tax but simultaneously mails the taxpayer a cash

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188. *Winn*, 131 S.Ct. at 1444-45.
189. 131 S.Ct. at 1447.
190. *Id*.
191. *Id*. (internal quotation and citations deleted).
grant of $200. Today, largely as a result of the influence of tax expenditure analysis, it is widely accepted that, under either alternative, the result from the taxpayer’s perspective is the same because of the fungibility of money.\textsuperscript{192} Whether the state collects $800 in tax net of the $200 credit or collects $1,000 in tax and then returns $200 as a cash grant, the taxpayer makes a net payment to the state of $800. As Justice Kennedy observed, the credit and the cash grant produce the same final financial result for the taxpayer.

It is at the next stage in his analysis that Justice Kennedy entered contested waters. Consider now two Arizona taxpayers, A and B, both of whom owe $1,000 in income taxes but only one of whom, B, will receive either a $200 grant or a $200 tax credit from the state. Suppose further that the grant or credit rewards activity by B to which A objects. If Arizona’s assistance to B takes the form of a $200 grant, Justice Kennedy concludes that some small fraction of that $200 is attributable to A’s tax payment. This is Madison’s “three pence,” a small, but cognizable, subsidy from A’s tax payment to B.\textsuperscript{193} Hence, A has standing under \textit{Flast} to challenge this grant under the Establishment Clause.

If, however, Arizona gives B a tax credit rather than a cash grant, Justice Kennedy concludes, none of the $200 credit has any “connection” with A’s tax payment. The credit, according to Justice Kennedy, merely “allows [B] to retain control over [her] own funds . . . Any financial injury [to A] remains speculative.”\textsuperscript{194} Underlying this conclusion is the premise that, if Arizona were forbidden from offering the credit to B, the Arizona legislature might use the resulting revenues of $200 for purposes other than reducing A’s taxes. The legislature might instead use that $200 to fund other programs or to reduce taxes for taxpayers other than A. Thus, there is no “connection” between A’s taxes and B’s credit. This thought


\textsuperscript{193} Flast v. Cohen, 392 U.S. 83, 103 (1968).

\textsuperscript{194} Winn, 131 S.Ct. at 1447.
has a strong provenance in the earlier standing case law and has often been articulated by the Court under the heading of “redressability.”

If, on the other hand, one concludes that the Arizona legislature would respond to the judicial invalidation of the challenged credit by reducing A’s state tax liability or if one concludes (as do the Winn dissenters) that that legislative response is irrelevant, then the analogy between the Winn situation and Flast becomes stronger. This issue divides the Winn majority from the dissenters, i.e., the willingness to assume the response of the Arizona legislature to the invalidation of the challenged tax credit and to conclude that this assumed response is relevant the issue of standing.

To buttress the distinction for standing purposes between a cash grant and a tax credit, Justice Kennedy noted that, “[w]hen Arizona taxpayers contribute to STOs, they spend their own money, not money the State has collected from respondents or from other taxpayers.” This observation highlights another disagreement between the Winn majority and the dissenters who would instead characterize STO contributors as receiving from the Arizona treasury a matching grant for their contributions in the form of the tax credit.

As Justice Kennedy noted, the Court’s standing case law has often been framed in terms of “causation and redressability.” Since STO contributors are donating their own funds, “any injury the [taxpayers] may suffer [are not] fairly traceable to the government.” Moreover, an injunction proscribing Arizona’s tax credits “would not affect noncontributing taxpayers or their tax payments.” In short “what matters under Flast is whether sectarian STOs receive government funds drawn from general tax revenues, so that moneys have been extracted from a citizen and handed to a religious institution in violation of the citizens’ conscience. Under that inquiry, respondents’ argument fails.” The Winn dissenters dismiss this “extract[ion]”-based analysis as privileging form over economic substance.

In his final theme in Winn, Justice Kennedy noted the apparent “tension” between, on the one hand, the conclusion that the Winn

196. Winn, 131 S. Ct. at 1447
197. Id.
198. Id. at 1448.
199. Id.
200. Id. at 1450.
201. Id. at 1448.
taxpayers lack standing to challenge the Arizona tax credit in the federal courts and, on the other, such decisions as *Mueller v. Allen*, *Committee for Public Education & Religious Liberty v. Nyquist*, *Hunt v. McNair*, and *Walz v. Tax Commission of City of New York*. In these cases, taxpayers were permitted to challenge state income tax deductions (*Mueller, Nyquist*), municipal property tax exemptions (*Walz*) and a state’s issuance of tax-favored bonds (*Hunt*).

To the extent these cases permitted taxpayers to challenge tax benefits under the Establishment Clause without asserting individualized harm, these cases, Justice Kennedy concluded, represent “nonbinding sub silentio holdings” which “left [the standing issue] unexplored.” Moreover, “the plaintiffs in those cases could have advanced arguments for jurisdiction independent of *Flast . . . ‘*”

Thus, for Justice Kennedy and his four colleagues, “the case-or-controversy limitation on federal jurisdiction imposed by Article III” denies the Arizona taxpayers standing to challenge the income tax credit offered by the Grand Canyon State.

Justice Scalia, joined by Justice Thomas, wrote briefly and separately in the spirit of Justice Harlan’s *Flast* dissent. Justice Scalia joined the Court’s *Winn* opinion which distinguishes *Flast* as affording standing only to taxpayers who challenge direct cash outlays (rather than tax benefits). However, the ultimate solution, Justice Scalia argued, is to recognize that “*Flast* is an anomaly,” a “misguided decision” which should be “repudiate[d].”

In contrast, for herself and three of her dissenting colleagues, Justice Kagan embraced *Flast* and asserted that the *Winn* majority “breaks from . . . precedent” by denying the plaintiff/taxpayers standing to challenge the Arizona tax credit for contributions to STOs. Moreover, the *Winn* majority’s distinction between cash grants (which taxpayers can challenge in federal court on
Establishment Clause grounds) and tax credits (which they cannot) is unprincipled.

The novel distinction in standing law between appropriations and tax expenditures has as little basis in principle as it has in our precedent. Cash grants and targeted tax breaks are means of accomplishing the same government objective—to provide financial support to select individuals or organizations. Taxpayers who oppose state aid of religion have equal reason to protest whether that aid flows from the one form of subsidy or the other. Either way, the government has financed the religious activity. And so either way, taxpayers should be able to challenge the subsidy.\textsuperscript{212}

Tax benefits and direct outlays are fungible; “the government can easily substitute one for the other.”\textsuperscript{213} “From now on, the government need follow just one simple rule—subsidize through the tax system—to preclude taxpayer challenges to state funding of religion.”\textsuperscript{214} Thus, \textit{Winn}, Justice Kagan concludes, is “the effective demise of taxpayer standing.”\textsuperscript{215}

As I discuss below, for two reasons, this overstates the impact of \textit{Winn}. First, municipal taxpayers still have standing in the federal courts to challenge local taxes and expenditures.

Second, taxpayers typically have standing to challenge state taxes in the state courts under more liberal standing rules. Thus, \textit{Cuno} and \textit{Winn} will shift litigation to the state courts rather than stop such litigation altogether.

Amplifying her theme that the \textit{Winn} majority ignored precedent, Justice Kagan declared that “all agree” that there is a “general prohibition on taxpayer standing.”\textsuperscript{216} This broad statement indicates greater consensus on the Court than the 5-4 vote in \textit{Winn} might suggest. Indeed, this broad statement heralds the end of the retreat from \textit{Flast}. The dissenting themes articulated earlier in the Court’s history (abolish taxpayer standing, extend taxpayer standing more broadly beyond Establishment Clause challenges) are indeed now history. According to Justice Kagan, \textit{Flast} today is a narrow “exception to the rule” of no-taxpayer-standing, an exception which only applies if “government actions [are] alleged to violate the

\textsuperscript{212} \textit{Id.}
\textsuperscript{213} \textit{Id.}
\textsuperscript{214} \textit{Id.}
\textsuperscript{215} \textit{Id} at 1451.
\textsuperscript{216} \textit{Id.}
Establishment Clause." Thus, the Fortas-Stewart interpretation of *Flast* as limited to Establishment Clause challenges has prevailed over the more expansive standing possibilities which were presaged (incorrectly as it now turns out) by the *Flast* majority and which, until *Cuno* and *Winn*, were kept alive by post-*Flast* dissent. Today, "all agree" that there is a "general prohibition on taxpayer standing." *Frothingham* and its narrow conception of taxpayer standing again controls.

Turning to the facts of *Winn*, Justice Kagan contended that "[f]inding standing here is merely a matter of applying *Flast*."

Invoking the doctrine of tax expenditure analysis, Justice Kagan argued that Justice Kennedy's "distinction [between cash grants and tax benefits] finds no support in case law, and just as little in reason." "Taxpayers experience the same injury for standing purposes whether government subsidization of religion takes the form of a cash grant or a tax measure."

Moreover, "for a simple reason," the Court has been correct in the past to treat appropriations and tax expenditures as both giving rise to taxpayer standing under *Flast*. "Here, as in many contexts, the distinction [between cash grants and tax incentives] is one in search of a difference." "[A] subsidy is a subsidy." From this vantage, the concern the Court has called "redressability" does not matter: It is of no moment how the Arizona legislature might respond (or not) to the judicial invalidation of the STO tax credit. That credit is indistinguishable from an equivalent cash grant; both channel public largesse from the taxpayers to the recipient. Indeed, Justice Kagan argued, the federal tax expenditure budget and the tax expenditure budgets of the various states (including Arizona) reflect the fact that tax benefits and cash grants "result in the same bottom line." Consequently, taxpayers' "access to the federal courts should not depend on which type of financial subsidy the State has

217. Id.
218. Id. at 1452.
220. Id.
221. Id.
222. Id.
223. Id. at 1455.
224. Id.
225. Id. at 1457.
offered.”

Under the Winn majority's opinion, “form prevails over substance, and differences that make no difference determine access to the Judiciary. And the casualty is a historic and vital method of enforcing the Constitution's guarantee of religious neutrality.”

For Justice Kagan and her dissenting colleagues, “[t]he injury to taxpayers that Flast perceived arose whenever the legislature used its taxing-and-spending power to channel tax dollars to religious activities.”

From this vantage, it does not matter for standing purposes whether the expenditure of a particular public dollar can be traced back to the plaintiff/taxpayer, or whether the challenged expenditure occurs through the tax system or by means of cash spending, or whether the invalidation of a challenged tax benefit would reduce the plaintiff’s individual tax burden. In the Establishment Clause context, per Flast, “[t]axpayers have standing . . . despite their foreseeable failure to show that the alleged constitutional violation involves their own tax dollars, not because the State has used their particular funds.”

Because, under the majority's opinion, tax expenditures do not give rise to taxpayer standing, Justice Kagan concluded, “the government may violate the Establishment Clause [but] taxpayers cannot gain access to the federal courts” to challenge such a violation. However, as I discuss further below, this is not quite right as municipal taxpayers still have standing to challenge municipal policies and practices in the federal courts.

In short, Cuno and Winn complete the retreat from the broader standing possibilities raised in Flast and kept alive in post-Flast dissent. Particularly instructive is Justice Kagan's Winn dissent which makes clear that the Roberts Court is today divided on the relatively narrow question whether Flast authorizes taxpayer standing for Establishment Clause challenges to tax benefits. Even the Winn dissenters have now abandoned the broader standing possibilities raised by Flast. Frothingham, Doremus and their no-taxpayer-standing rule again control.

226. Id.
227. Id. at 1458.
228. Id. at 1459.
229. Id. at 1460.
230. Id. at 1462.
III. State Taxpayer Standing in the State Courts

The states’ taxpayer standing rules are generally more liberal than the federal approach which, after Cuno and Winn, unreservedly bars standing to federal and state taxpayers. Some states recognize taxpayer standing in cases deemed by the courts to be particularly important. Other states grant taxpayer standing more broadly, without first assessing the significance vel non of any particular case. Often, the state courts characterize either of these approaches as “waiving” the requirement of standing for taxpayers. Some states’ taxpayer standing rules are exclusively judge-made. In other states, statutes authorize taxpayer suits to challenge state or municipal expenditures. The states’ standing case law and statutes frequently link taxpayer status to citizen status. Under all of these variations, state taxpayers challenging state taxes and outlays have greater access to the state courts than to the federal courts because, via case law, statutes, or both, the states generally look more favorably on taxpayer standing than do the federal courts.

A. State Taxpayer Standing for Important Cases

Arizona is among the states which grant taxpayer standing for cases deemed to be of particular importance. In ASARCO Inc. v. Kadish, Arizona taxpayers successfully challenged in the state courts an Arizona statute under which Arizona had granted mineral leases to various mining companies. While the U.S. Supreme Court held that these Arizona taxpayers lacked standing in the federal courts, these state taxpayers had been allowed to litigate in the courts of the Grand Canyon State.

In its decision before ASARCO reached the U.S. Supreme Court, the Arizona Supreme Court did not discuss the standing of the plaintiff.taxpayers. Rather, Arizona’s highest court took that standing for granted, declaring that “[t]he individual petitioners are taxpayers who allege that their taxes support public education in Arizona.” On that basis, the Arizona court adjudicated the taxpayers’ claims against the state statute governing mineral leases.

231. To reiterate the point made in footnote 6, supra, we do not have a convenient phrase to distinguish between a taxpayer’s standing to challenge individually his own particular tax liability and a taxpayer’s standing to challenge taxes and outlays more generally. It is the latter sense in which this Article uses the phrase “taxpayer standing.”


233. Id.

Sixteen years later, in *Bennett v. Napolitano*, the Arizona Supreme Court explicitly addressed the status of taxpayer standing under Arizona law. In *Bennett*, four leaders of the Arizona legislature challenged the constitutionality of the governor's use of her item veto. Belatedly, the four legislators claimed standing as Arizona taxpayers in addition to their standing as legislators. The Arizona Supreme Court rejected this claim of taxpayer standing in a fashion which confirmed a more liberal approach in cases determined to be particularly important.

The plaintiff/legislators in *Bennett* cited *Ethington v. Wright* to support their standing as Arizona taxpayers. However, the *Bennett* Court distinguished *Ethington* on the grounds that "*Ethington* allowed a taxpayer to challenge a legislative act that expended monies for an unconstitutional purpose." In contrast, the legislator/taxpayers in *Bennett* challenged the manner in which the governor deployed her veto power.

The *Bennett* Court stated that Arizona's standing rules are not constitutionally required, but rather reflect "prudential concerns." "[I]n exceptional circumstances, generally in cases involving issues of great public importance that are likely to recur," the Court will "waive[] the standing requirement." *Bennett*, the Court decided, was not such a case of "exceptional" significance justifying waiver of the standing requirement for state taxpayers.

*Bennett* implicitly indicates that, in retrospect, *ASARCO* was "the rare case in which waiver of standing is proper." Thus, unlike the federal courts, which define standing as the *sine qua non* of the right to sue in those courts, the Arizona courts characterize standing as a prudential requirement which the courts may forgo in important cases, thereby permitting taxpayers like the *ASARCO* plaintiffs to sue in their capacities as taxpayers.

235. 81 P.3d 311, 313 (Ariz. 2003).
236. *Id.* at 318. ("The 'taxpayer' argument was first raised in petitioners' reply brief . . .").
238. *Bennett*, 81 P.3d at 318.
239. *Id.* at 313.
240. *Id.*
241. *Id.* (quoting *Sears v. Hull*, 961 P.2d 1013, 1019 (Ariz. 1998)).
242. *Id.* at 320.
243. *Id.* at 318.
The standing tests articulated by the Alaska courts are similar: “To establish citizen-taxpayer standing, a litigant must show that the issues raised are of public significance and that it is an appropriate litigant to seek adjudication of those issues.” Applying these criteria, the Alaska Supreme Court held that “[a] non-profit public interest law firm” lacked standing “to establish constitutional standards that must be met before compelling minors to take psychotropic medications” since the minors themselves “would be the appropriate litigant[s].” However, in a case similar to ASARCO, “a coalition of environmental, Native, and fishing groups” did have citizen-taxpayer standing to challenge Alaska’s “mineral leasing system.”

In Godfrey v. State, the Iowa Supreme Court declared that “Iowa, like many states, essentially follows the federal doctrine on standing.” Nevertheless, Iowa will grant standing to “citizens who seek to resolve certain questions of great public importance and interest in our system of government.” Ms. Godfrey, who claimed standing “as a citizen, taxpayer, and a potential workers’ compensation claimant,” “failed to present an issue of great public importance.” Consequently, the Iowa court was not “convince[d that it] should waive the requirement of standing” for her. However, the Godfrey Court made clear that, in appropriate cases, such waivers will be forthcoming for taxpayers raising questions “of great public importance.”

To the same effect is the decision of the South Carolina Supreme Court in ATC South, Inc. v. Charleston County. ATC South, Inc. (“ATC”) challenged a favorable zoning change granted to a competitor. The court rejected ATC’s claim to taxpayer standing.

245. Id. at 1253.
246. Id. at 1256.
248. Id. at 327.
249. 752 N.W.2d 413, 424 (Iowa 2008).
250. Id.
251. Id. at 417.
252. Id. at 428.
253. Id.
254. Id.
256. Id. at 339.
Under South Carolina law, "general standing requirements" will be waived when a plaintiff raises "an issue [] of such public importance as to require its resolution for future guidance." ATC flunked this test and therefore lacked standing to pursue its litigation. However, other South Carolina litigants have passed the "public importance" test and have thus been able to sue, despite failing more stringent criteria for standing.

Ohio case law indicates that citizens who fail traditional tests for standing may nevertheless litigate in the state courts "when the issues sought to be litigated are of great importance and interest to the public,"—though no reported case grants standing to an Ohio taxpayer under this rationale. In a similar vein, the Pennsylvania Supreme Court recognizes state taxpayer standing when, *inter alia*, "the governmental action would otherwise go unchallenged," "judicial relief is appropriate," and "no other persons are better situated to assert the claim." Likewise, the Wyoming Supreme Court "recognize[s] a more expansive or relaxed definition of standing when a matter of great public interest or importance is at stake."

B. Broader Taxpayer Standing

In contrast to those state courts that grant taxpayer standing for cases of particular importance, other state courts articulate a broader approach to taxpayer standing. Under this more expansive approach, taxpayer standing is recognized without an assessment of the relative importance of the case being brought by the plaintiff-taxpayer. For example, in *Britnell v. Alabama State Board of Education*, Alabama taxpayers challenged a $4,000 salary raise for the Superintendent of the State Board of Education. Before reaching the merits of this challenge, the Alabama Supreme Court declared "a plaintiff suing in
his capacity as a citizen and taxpayer has standing to attack the constitutionality of expenditures."

**Britnell,** in turn, relied on *Zeigler v. Baker* decided two years earlier. In *Zeigler,* an Alabama taxpayer challenged the pensions granted to former governors. Confirming the taxpayer’s standing to bring his suit in the state courts, the Alabama Supreme Court specifically rejected the federal rule against taxpayer standing as articulated in *Schlesinger* and *Richardson.* As previously mentioned, in Alabama, a person “suing in his capacity as a citizen and taxpayer, has standing to attack the constitutionality” of state expenditures.

Like the Alabama courts, the Florida courts grant taxpayer standing without first determining whether the case being brought is of particular importance. In *Brown v. Firestone,* the plaintiffs “as citizens and taxpayers” challenged the constitutionality of several gubernatorial vetoes of state appropriations legislation. While “their stake in the outcome of this controversy rest[ed] on an extremely slender reed,” these citizen/taxpayers had standing in the Florida courts to “mount a constitutional attack upon the legislature’s taxing and spending power without having to demonstrate a special injury.” Of course, “special injury” is critical to the federal concept of standing.

Eleven years later, in *Chiles v. Children A, B, C, D, E, and F,* Florida foster children, “in their capacity as taxpayers,” challenged the constitutionality of legislation authorizing an executive branch commission to reduce state expenditures to avoid a state budget deficit. Gone from the Florida Supreme Court’s discussion of taxpayer standing was the earlier rhetoric about “slender reed[s].” Rather, citing *Brown,* the court in broad terms affirmed “that a

266. *Id.* at 285.
267. 344 So. 2d 761 (Ala. 1977).
268. Baker was also an Alabama state senator, but did “not rely upon [this] status” for standing. *Id.* at 763.
269. *Id.*
270. *Id.* at 764.
271. 382 So. 2d 654, 657 (Fla. 1980).
272. *Id.* at 662.
275. *Brown,* 382 So. 2d 654, 662.
citizen and taxpayer can challenge the constitutional validity of an exercise of the legislature’s taxing and spending power without having to demonstrate a special injury.” 276

In McKee v. Likins, the Minnesota Supreme Court similarly affirmed that, under Minnesota law, “a state or local taxpayer has sufficient interest to challenge illegal expenditures.” 277 Mr. McKee was a property taxpayer of Ramsey County who opposed abortion. 278 Under Minnesota law, he had standing to challenge Medicaid-financed abortions: “[T]he right of a taxpayer to maintain an action in the courts to restrain the unlawful use of public funds cannot be denied.” 279

Colorado’s Supreme Court has likewise affirmed “broad taxpayer standing in the trial and appellate courts.” 280 In particular, “taxpayers [of the Centennial State] have standing to seek to enjoin an unlawful expenditure of public funds.” 281 Standing for taxpayers to challenge public expenditures has been recognized as well by the courts of Missouri, 282 Montana, 283 North Carolina, 284 Nebraska, 285

276. Chiles, 589 So. 2d at 263, n.5. See also Coal. for Adequacy & Fairness in Sch. Funding v. Chiles, 680 So. 2d 400, 403 (Fla. 1996) (“This Court has held that a citizen and taxpayer can challenge the constitutional validity of an exercise of the legislature’s taxing and spending power without having to demonstrate a special injury. Furthermore, in Florida, unlike the federal system, the doctrine of standing has not been rigidly followed.”) (internal citations and quotation marks deleted).
277. 261 N.W.2d 566, 570 (Minn. 1977).
278. Id. at 568.
279. Id. at 571.
281. Id. (internal quotation marks deleted).
282. Manzara v. State, 343 S.W. 3d 656, 659 (Mo. 2011) (For standing, “a taxpayer must establish that one of three conditions exists: (1) a direct expenditure of funds generated through taxation; (2) an increased levy in taxes; or (3) a pecuniary loss attributable to the challenged transaction of a municipality.”). However, the Missouri Supreme Court holds that a state tax credit is not an expenditure of public funds and thus cannot be challenged in court by taxpayers. Id.
283. Butte-Silver Bow Local Gov’t v. State, 768 P.2d 327, 329 (Mont. 1989) (“a taxpayer will have standing to question the validity of a tax, or the expenditure of tax monies, provided the issue(s) presented directly affect the constitutional validity to collect or use the proceeds of the tax by the state or a local government entity.”) (parenthetical in original).
284. Goldston v. State, 637 S.E.2d 876, 881 (N.C. 2006) (“the right of a citizen and taxpayer to maintain an action in the courts to restrain the unlawful use of public funds to his injury cannot be denied.”) (internal quotation marks and citations deleted).
285. Chambers v. Lautenbaugh, 644 N.W.2d 540, 548 (Neb. 2002) (“A resident taxpayer, without showing any interest or injury peculiar to itself, may bring an action to enjoin the illegal expenditure of public funds raised for governmental purposes.”).
Oklahoma,\textsuperscript{286} Texas,\textsuperscript{287} and Utah.\textsuperscript{288} Under Tennessee's case law, a taxpayer of the Volunteer State has "standing to challenge the legality of the expenditure of public funds" if the taxpayer "allege[s] a specific illegality" and has "made a prior demand on the governmental entity asking it to correct the alleged illegality."\textsuperscript{289}

C. State Taxpayer Standing by Statute

Instead of (or in addition to) judge-made rules permitting taxpayers to sue as such, some states establish taxpayer standing by statute. A California statute, for example, authorizes actions to stop "any illegal expenditure of, waste of, or injury to, the estate, funds, or other property of a county, town, city or city and county."\textsuperscript{290} Such actions may be maintained by citizens residing in the defendant municipality or "by a corporation, who is assessed for and is liable to pay, or, within one year before the commencement of the action, has paid, a tax" in such municipality.\textsuperscript{291} While the California statute on its face is limited to suits challenging municipal expenditures, the California courts have interpreted the statute to authorize "taxpayer action[s] . . . against the State."\textsuperscript{292} In \textit{Vasquez v. State of California}, for example, a California taxpayer successfully challenged the failure of the California Department of Corrections to "ensure [the] payment of prevailing wages to the inmates" working for a private manufacturer\textsuperscript{293} since some of those wages were owed to the state to

\textsuperscript{286} Oklahoma Pub. Emp's Ass'n v. Oklahoma Dep't of Cent. Serv's, 55 P.3d 1072, 1078 (Okla. 2002) ("a taxpayer possessing standing to seek equitable relief when alleging that a violation of a statute will result in an illegal expenditure of public funds or the imposition of an illegal tax.").

\textsuperscript{287} Bland Indep. Sch. Dist. v. Blue, 34 S.W.3d 547, 556 (Tex. 2000) ("a taxpayer has standing to sue in equity to enjoin the illegal expenditure of public funds, even without showing a distinct injury.").

\textsuperscript{288} Jenkins v. Swan, 675 P.2d 1145, 1153 (Utah 1983) ("We have also extended the taxpayer's right to sue concerning illegal use of public monies to include an action against the state.").


\textsuperscript{290} \textit{CAL. CIV. PROC. CODE § 526a} (2012).

\textsuperscript{291} \textit{Id.}

\textsuperscript{292} Vasquez v. State of California, 105 Cal App 4th 849, 852 (2003). \textit{See also id.} at 854 ("The individual citizen must be able to take the initiative through taxpayers' suits to keep government accountable on the state as well as on the local level.") (internal citations and quotations omitted).

\textsuperscript{293} \textit{Id.} at 853.
reimburse the public treasury for the cost of the inmates’ board and room.\textsuperscript{294}

Another statutory basis for taxpayer standing in California is the law which allows anyone who is “beneficially interested”\textsuperscript{295} to obtain a “writ of mandate”\textsuperscript{296} when “there is not a plain, speedy, and adequate remedy, in the ordinary course of law.”\textsuperscript{297} “The beneficial interest standard is so broad, even citizen or taxpayer standing may be sufficient to obtain relief in mandamus.”\textsuperscript{298}

New York’s State Finance Law Section 123-b(1) authorizes “a citizen taxpayer” to “maintain an action for equitable or declaratory relief, or both, against an officer or employee of the state who in the course of his or her duties has caused, is now causing, or is about to cause a wrongful expenditure, misappropriation, misapplication or any other illegal or unconstitutional disbursement of state funds or state property . . . ” A “citizen taxpayer” may maintain such an action “whether or not such person is or may be affected or specially aggrieved by [such] . . . expenditure, misappropriation, misapplication or . . . disbursement . . . ”\textsuperscript{299}

In Saratoga County Chamber of Commerce, Inc. v. Pataki, New York’s highest judicial tribunal, the Court of Appeals, held that Section 123-(b)(1) granted standing to “citizen-taxpayers” to challenge the use of public funds to implement the 1993 Compact between New York’s governor and the St. Regis Mohawk Tribe.\textsuperscript{300} That Compact authorized the Tribe to operate a casino and had been signed by the Empire State’s governor without legislative approval.\textsuperscript{301} The plaintiffs, including the citizen-taxpayers, challenged the Compact and the use of state funds to implement the Compact. The Compact, they contended, violated the constitutional separation of powers as the governor lacked authority to execute the Compact absent legislative authorization of the Compact. On the merits, the Court of Appeals agreed.\textsuperscript{302}

\textsuperscript{294} Id. at 856.
\textsuperscript{295} CAL. CIV. PROC. CODE. § 1086 (2012).
\textsuperscript{296} CAL. CIV. PROC. CODE. § 1085(a) (2011).
\textsuperscript{297} CAL. CIV. PROC. CODE. § 1086 (2012).
\textsuperscript{299} N.Y. STATE FIN. LAW §123-b(1) (2012).
\textsuperscript{300} 798 N.E.2d 1047 (N.Y. 2003).
\textsuperscript{301} Id. at 1049.
\textsuperscript{302} Id. at 1061.
Before reaching the substance of the lawsuit, the Court held that Section 123-(b)(1) gave the plaintiff/citizen/taxpayers standing to pursue their claim. According to the Court, that section requires the court "to distinguish between cases that present a challenge to the expenditure of money and those that use the expenditure of money as a pretense to challenge a governmental decision."303 As to the former, citizen/taxpayers have statutory standing; as to the latter, they do not. In this case, the Court of Appeals held, the citizen/taxpayers "have sufficiently alleged a challenge to the expenditure of state money" to have standing to sue.304

A contrary ruling, the Court of Appeals stated, would mean that "an important constitutional issue would be effectively insulated from judicial review" since no one would have standing to sue.305 As we have seen, the dominant view in the case law of the U.S. Supreme Court is different, namely, that, if no one has standing, this means the issue in question is appropriately assigned to the political branches of government.306

The Court of Appeals in Saratoga County Chamber of Commerce distinguishes its prior decision in Matter of Colella v. Board of Assessors.307 In Colella, the Court of Appeals held that local property taxpayers lacked standing to challenge a property tax exemption extended to the Yun Lin Temple, a Buddhist religious corporation.308 There is, the Court held in Colella, no taxpayer standing to contest the "religious use tax exemption [of] a single parcel of real estate."309 In contrast, the issue presented in Saratoga County Chamber of Commerce was "fundamental and of immense public significance."310 "Standing is properly satisfied here, lest

303. Id. at 1053.
304. Id.
305. Id.
306. Valley Forge Christian Coll. v. Am. United for Separation of Church & State, 454 U.S. 464, 489 (1982) ("But the assumption that if respondents have no standing to sue, no one would have standing, is not a reason to find standing.") (internal quotation marks deleted); United States v. Richardson, 418 U.S. 166, 179 (1974) (If the absence of standing means that "no particular or class [can] litigate these claims," that suggests that "the subject matter is committed to the surveillance of Congress, and ultimately to the political process.").
307. 741 N.E.2d 113 (N.Y. 2000).
308. Id. at 114.
309. Id. at 116.
310. 798 N.E.2d at 1054.
procedural hurdles forever foreclose adjudication of the underlying constitutional issue."\(^{311}\)

The Colella Court had distinguished its denial of taxpayer standing in that case from Dudley v. Kerwick in which property owners challenged "the enrollment, *en masse*, of 88% of the town’s landowners as officers in an allegedly religious denomination known as the Universal Life Church."\(^{312}\) This enrollment exempted from property taxation the bulk of the town’s property with "the remaining landowners . . . pay[ing] the full $500,000 annual governmental expense of the town."\(^{313}\) While the Dudley Court did not expressly use the term "standing," it allowed the plaintiffs to challenge this "exemption from taxation in wholesale fashion."\(^{314}\) The property owners refusing to join the Universal Life Church "allege[d] a broad perversion of the entire process of granting exemptions, with the resulting deterioration of the tax base and imposition on petitioners of a hugely disproportionate share of municipal expenses."\(^{315}\)

A Massachusetts statute authorizes "twenty-four taxable inhabitants of the commonwealth, not more than six of whom shall be from any one county" to sue prospectively to prevent any "department, commission, board, officer, employee or agent of the commonwealth" from illegally or unconstitutionally "expend[ing] money or incur[ring] obligations purporting to bind the commonwealth."\(^{316}\) A South Dakota statute authorizes "[a]ny citizen and taxpayer residing within a municipality [to] maintain an action or proceeding to prevent, by proper remedy, a violation of any provision of" the title governing municipalities in the Mount Rushmore State.\(^{317}\)

Ohio’s statutes on taxpayer standing embody a derivative approach under which local taxpayers may sue on behalf of a locality if such taxpayers first demand of appropriate government officials that they sue and these officials decline. At the county level, Ohio Revised Code section 309.12 authorizes "the prosecuting attorney" to sue to protect the county treasury from a variety of financial improprieties.\(^{318}\) In particular, the prosecuting attorney may sue to

\(^{311}\) *Id.*


\(^{313}\) *Id.* at 800.

\(^{314}\) *Id.* at 799–800.

\(^{315}\) *Id.* at 799–800.

\(^{316}\) MASS. GEN. LAWS ANN. ch. 29, § 63 (2012).

\(^{317}\) S.D. CODIFIED LAWS § 9-1-6 (2012).

\(^{318}\) OHIO REV. CODE ANN. § 309.12 (2012).
prevent or to recover, *inter alia*, if county funds "are about to be or have been misapplied," "public moneys have been illegally drawn or withheld from the county treasury," an illegal contract "has been executed or is about to be entered into," or an illegal "contract was procured by fraud or corruption ..."319 If "a taxpayer of the county" makes a "written request" to the prosecuting attorney to file such an action and the prosecuting attorney "fails" to do so, the taxpayer may then file on behalf of the county.320 Similar rules authorize municipal taxpayers in Ohio to sue to protect municipal funds if, after the taxpayer’s written request, "the village solicitor or city director of law fails" to file such a suit "on behalf of the municipal corporation."321

Arizona also has a derivative-style statute which permits a taxpayer to sue "in the name of the state to enjoin the illegal payment of public monies . . . or if the monies have been paid, to recover such monies"322 if the taxpayer first requests the attorney general to sue and he "fails" to do so.323

D. Summary

In short, whether by statute or case law, most states have more liberal taxpayer standing rules than prevail in the federal courts. A minority of states emulates the federal approach and thus always denies standing to taxpayers absent individualized harm.324 However, the majority rule is that, by case law and/or statutes, state taxpayers generally have standing to challenge state taxes and expenditures in the state courts even if such taxpayers lack the kind of individualized harm necessary for standing in the federal courts.

IV. *Cuno* and *Winn* Channel Litigation to the State Courts

Since state taxpayers who lack standing in the federal courts typically have standing to raise federal constitutional questions in the state courts, *Cuno* and *Winn* do not foreclose state taxpayers’
constitutional challenges to state taxes and spending. Rather, *Cuno* and *Winn* channel such litigation to the state courts where state taxpayers have the standing they lack in the federal courts.

To see this, let us revisit *Nyquist, Hunt* and *Mueller*. Both the majority\(^{325}\) and minority\(^{326}\) opinions in *Winn* suggest that *Winn*, by denying taxpayer standing for Establishment Clause challenges to tax expenditures, precludes taxpayer/plaintiffs from pursuing these kinds of cases in federal court. A review of these decisions yields a more complete conclusion, namely, that state taxpayers foreclosed from the federal courts can often pursue in the state courts their challenges to state spending and taxes under the U.S. Constitution.

Consider first *Nyquist*, an Establishment Clause case brought by "an incorporated association ... and several individuals who were residents and taxpayers in New York, some of whom had children attending public schools."\(^{327}\) The *Nyquist* plaintiffs successfully challenged monetary grants from the New York State treasury to private schools as well as state grants and income tax deductions given to parents sending their children to private schools.\(^{328}\) The original *Nyquist* defendants were executive branch officials of the State of New York.\(^{329}\) Status as intervening defendants was granted to leaders of the New York state senate and "to a group of parents with children enrolled in nonpublic schools."\(^{330}\)

After *Winn*, the *Nyquist* taxpayers still have *Flast* standing in federal court to challenge under the First Amendment the Empire State's monetary grants to private schools as well as the state's monetary grants to parents sending their children to such schools. However, under *Winn*, the *Nyquist* taxpayers today lack federal standing to challenge the tax deductions bestowed by New York upon private school parents. *Cuno* further confirms that the *Nyquist* taxpayers' standing in the federal courts to contest New York's direct monetary grants does not produce supplemental standing to litigate in federal court the tax benefits also offered by the Empire State.\(^{331}\)


\(^{326}\) *Id.* at 1453–54.


\(^{328}\) *Id.* at 763–764.

\(^{329}\) *Id.* at 762.

\(^{330}\) *Id.*

As an alternative to the federal courts, the Nyquist plaintiffs had (and have today) standing in New York’s courts under New York’s State Finance Law Section 123-b(1) to challenge the state grant programs. The Nyquist plaintiffs were “citizen taxpayer[s]” attacking each of the grant programs as “a wrongful expenditure, misappropriation, misapplication or any other illegal or unconstitutional disbursement of state funds.” Thus, under Section 123-b(1), the Nyquist plaintiffs have standing to pursue their First Amendment claims in the New York courts against New York’s monetary grants to private schools and to private school parents.

It is likely that under Section 123-b(1) these taxpayer/plaintiffs could today also challenge in the state courts the New York State income tax deductions for parents sending their offspring to private schools. From the widely-accepted vantage of tax expenditure theory, such deductions constitute “expenditure[s].” Moreover, denying “citizen taxpayer[s]” the ability to litigate the constitutionality of these state income tax deductions would result in “an important constitutional issue ... being effectively insulated from judicial review.” It thus seems likely that the New York courts would construe Section 123(b)-1 to permit First Amendment challenges in the New York State courts to state tax benefits such as the deduction at issue in Nyquist. If so, the net effect of Cuno and Winn is to route future Nyquist-type First Amendment challenges to New York state tax benefits to the New York state courts.

Hunt v. McNair was decided simultaneously with Nyquist and was brought by a South Carolina taxpayer who challenged on Establishment Clause grounds revenue bonds issued by an authority of the Palmetto State. The proceeds of these state-sponsored bonds were used to refinance and construct facilities for the Baptist College at Charleston. The college was ultimately responsible for paying the interest and principal owed on these state-issued bonds.

Nyquist had been litigated in the lower federal courts before going to the U.S. Supreme Court. In contrast, Hunt was brought in the South Carolina courts. In Hunt, the U.S. Supreme Court affirmed

332. N.Y. STATE FIN. LAW §123-b(1) (McKinney 2012).
333. See supra notes 192 and 219.
337. Id. at 737–738.
the ruling of the South Carolina Supreme Court that state-sponsored revenue bonds did not violate the First Amendment even though the proceeds of such bonds benefitted a religious institution of higher learning.\footnote{Id. at 749.}

In its two opinions in \textit{Hunt}, the South Carolina Supreme Court reached the merits of Mr. Hunt’s Establishment Clause claim without considering his standing to bring the case. As we have seen, under South Carolina law, “general standing requirements” will be waived when a plaintiff raises “an issue of such public importance as to require its resolution for future guidance.”\footnote{ATC S., Inc. v. Charleston Cnty., 669 S.E.2d 337, 341 (S.C. 2008) (internal quotation marks omitted).} It is thus unsurprising that Mr. Hunt’s ability to bring his First Amendment case was taken for granted \textit{sub silentio} in the South Carolina courts.

\textit{Winn} today still grants Mr. Hunt \textit{Flast} taxpayer standing in the U.S. Supreme Court. As the U.S. Supreme Court observed, the Baptist College benefitted from the tax-exempt status of the bonds issued by the South Carolina authority.\footnote{Id.} Since these bonds yielded tax exempt interest, the bonds carried and the college paid a lower rate of interest than if the college had issued taxable bonds without the state’s involvement.

However, Mr. Hunt objected, not to the bonds’ tax-exempt status, but, rather, to state involvement in the financing of the religious college’s facilities. Mr. Hunt’s Establishment Clause argument would have applied if South Carolina had issued on the Baptist College’s behalf taxable bonds bearing market rates of interest. Mr. Hunt complained not about the tax benefits associated with the state-sponsored bonds, but about the bonds themselves. \textit{Winn} does not preclude Mr. Hunt’s \textit{Flast}-type challenge in the federal courts, a challenge to state support for a religious college, not to tax benefits for state bonds.

On the other hand, the \textit{Nyquist} taxpayers, if they challenged the Empire State’s income tax deduction in the state courts, would today lack standing to appeal to the U.S. Supreme Court because of the \textit{Winn} decision. For these state taxpayers, New York’s highest court, the Court of Appeals, would be the end of the line if that court were to uphold New York’s tax deduction against an Establishment Clause challenge. In contrast, if the New York Court of Appeals were to rule against the deduction (as the U.S. Supreme Court actually did),
then the private school parents thereby denied the deduction, like the ASARCO lessees, would have individualized injury and would thus have standing to appeal to the U.S. Supreme Court.

*Mueller*, like the *Nyquist* challenge to the Empire State's income tax deductions, is today foreclosed from the federal courts by *Winn* and its rule that taxpayers lack *Flast* standing to mount Establishment Clause challenges to tax benefits. 341 *Mueller* was brought in the federal courts by "certain Minnesota taxpayers" 342 who objected on Establishment Clause grounds to a Minnesota income tax deduction for "tuition, textbooks and transportation" 343 outlays expended in connection with "elementary or secondary" education. 344 The Minnesota deduction is the kind of tax benefit which, per *Winn*, can no longer be contested by state taxpayers in the federal courts.

Will the Minnesota courts grant standing for a *Mueller*-type challenge to state tax deductions? Again, the answer depends upon whether tax expenditures are treated in the same way as traditional cash expenditures. Tax expenditure theory indicates that a tax deduction is a "use of public funds." 345 If so, then the Minnesota taxpayers in *Mueller* could bring their Establishment Clause challenge in the Minnesota courts. In that scenario, a Minnesota Supreme Court ruling upholding the state income tax deduction under the U.S. Constitution would be final since Minnesota taxpayers now lack standing in the U.S. Supreme Court in light of *Winn*'s rejection of state taxpayer standing to contest tax benefits. On the other hand, if the Minnesota Supreme Court were to strike a state income tax deduction on First Amendment grounds, the Minnesota parents using the deduction (again, like the ASARCO lessees) would have standing to appeal to the U.S. Supreme Court which, in *Mueller* as it actually happened, upheld the Minnesota income tax deduction under the Establishment Clause.

In short, by shutting the federal courts to most state taxpayer challenges, *Cuno* and *Winn* do not foreclose constitutional challenges to state taxes and expenditures. Rather, *Cuno* and *Winn* instead channel those challenges to the state courts with their more liberal taxpayer standing rules. *Nyquist* and *Mueller*-type challenges to the constitutionality of state income tax deductions, today foreclosed

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342. *Id.* at 392.
343. *Id.* at 391 (n. 1, quoting MINN. STAT. § 290.09, subd. 22 (1983)).
344. *Id.*
from the federal courts for lack of taxpayer standing, can still be brought in the state courts with their generally more expansive notions of taxpayer standing.

This conclusion is reinforced by consideration of the alternative courses *Cuno* might have taken in light of the U.S. Supreme Court’s decision in that case. This counterfactual demonstrates again that *Cuno* and *Winn* do not foreclose state taxpayers’ constitutional litigation against state taxes and expenditures but, rather, route such litigation to the state courts.

The *Cuno* plaintiffs wanted to litigate in the Ohio state courts the constitutionality of the state income tax credits and of the municipal property tax exemptions extended to DaimlerChrysler for building its new plant in Toledo. The *Cuno* plaintiffs had plausible claims to standing in the Ohio courts under the Ohio derivative-style statute for municipal taxpayers and under the Ohio case law granting standing to taxpayers raising issues “of great importance and interest to the public.” Had the Ohio courts upheld the Ohio income tax credits granted to DaimlerChrysler, that would have been the end of the road as the *Cuno* plaintiff-taxpayers lacked standing under federal law to proceed in the federal courts in general and in the U.S. Supreme Court in particular. However, had the courts of the Buckeye State agreed with the plaintiff-taxpayers and held unconstitutional the Ohio income tax credits granted to DaimlerChrysler, DaimlerChrysler would, like the *ASARCO* lessees, have suffered particularized injury from the state courts’ invalidation of the credits and would thus have had standing to appeal to the U.S. Supreme Court.

Alternatively, the *Cuno* plaintiffs could have bifurcated their litigation, challenging the constitutionality of the state tax credits in the Ohio state courts while simultaneously contesting the constitutionality of the local property tax exemptions in the federal courts. In this scenario also, the denial of state taxpayer standing in the federal courts routes the constitutional challenge to the Ohio income tax credits to the Ohio state courts—where the actual *Cuno* plaintiffs started their litigation and wanted to stay.

As to *Winn*, we need not speculate about the alternative of state court litigation since such litigation in fact occurred. Before the *Winn* plaintiffs began their lawsuit in the federal courts, an essentially

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346. OHIO REV. CODE ANN. § 733.59 (West 2012).
identical challenge to the Arizona tax credits for STOs was brought in
the Arizona state courts. When the Arizona Supreme Court
declared those credits compliant with the federal constitution, the
plaintiffs sought certiorari in the U.S. Supreme Court and were
rejected. The Winn taxpayer/plaintiffs then pursued their parallel
litigation in the federal courts. Today the decision of the Arizona
Supreme Court, upholding the STO tax credits under the U.S.
Constitution, marks the end of the road since the Arizona
taxpayer/plaintiffs lack standing to seek certiorari in the U.S.
Supreme Court or to commence litigation in the U.S. District Court.

In sum, Cuno and Winn only foreclose state taxpayer standing in
the federal courts. Since state taxpayers often possess standing in the
state courts to challenge state taxes and expenditures under the U.S.
Constitution, Cuno and Winn will channel state taxpayers’
constitutional challenges to state taxes and expenditures to the state
courts where such taxpayers have the standing they lack in the federal
courts.

V. Municipal Taxpayer Standing as Historical Anomaly

Except for the limited area still governed by Flast, i.e.,
Establishment Clause challenges to direct outlays, there is today no
federal or state taxpayer standing in the federal courts to mount
constitutional challenges to federal or state taxes and expenditures.
On the other hand, municipal taxpayers have plenary standing to
contest local taxes and budgetary outlays in the federal courts.

Frothingham first stated that municipal taxpayers have standing
in the federal courts to challenge local expenditures and taxes. This
proposition has subsequently been confirmed. Neither Cuno nor
Winn change this result or otherwise impair the standing in federal
courts of local taxpayers challenging local government policies.

For three reasons, it is anomalous to grant taxpayer standing in
the federal courts to municipal taxpayers while simultaneously
denying federal court standing to state taxpayers. First, as Professor
Staudt observed even before Cuno and Winn, “many local taxpayers
reside in cities and localities that are far more populous and have

bigger budgets than many states."³⁵² It is unpersuasive to characterize for standing purposes a resident of New York City as having a "direct" interest in the tax and budgetary practices of the City of New York (pop. 8,175,133) while declaring that a state taxpayer in Wyoming (pop. 532,981) has too remote an interest in her state's taxes and expenditures to justify standing in federal court. In this vein, Judge Sutton of the U.S. Court of Appeals for the Sixth Circuit recently criticized municipal taxpayer standing in the federal courts:

Thirty-two cities currently have populations larger than at least one State, and New York City, the largest municipality in the country, holds more people than 39 States. If the point of limiting taxpayer standing is to avoid the resolution of generalized grievances in federal court, why does a New Yorker have standing based on an injury shared with 8,275,000 others while a resident of North Dakota lacks standing based on an injury shared with 647,000 others?³⁵³

However, this is where federal law stands today.

Second, the premises underlying municipal taxpayer standing are no longer valid, even if they once were. Underlying Frothingham's approval of municipal taxpayer standing is a vision of local government as a small-scale enterprise resembling similarly small-scale private corporations. Frothingham's vision of both municipalities and corporations is today quaint to the point of irrelevance.

In 1923, Frothingham declared that a municipal taxpayer has standing in the federal courts because a local taxpayer has a "direct and immediate"³⁵⁴ interest in local government resembling "that subsisting between stockholder and private corporation."³⁵⁵ Whether or not that vision of localities and corporations as similar, small-scale enterprises was still realistic in 1923, it is not today.

For the justices of the Frothingham Court, the analogy between local governments and corporations likely resonated because of the historic origins of local governments in corporate law.³⁵⁶ However,

³⁵² Staudt, supra note 113 at 841.
³⁵⁴ Frothingham, 262 U.S. at 486.
³⁵⁵ Id. at 487.
³⁵⁶ Id.
the analogy is today unpersuasive. While local governments are today still labeled “municipal corporations,” no one now understands that label as meaning that local governments are legally comparable to commercial corporations.\textsuperscript{357} Localities today are governments, not quasi-business corporations. And most local governments and publicly traded corporations today lack the intimate relationships with their taxpayers and shareholders perceived by the \textit{Frothingham} Court in 1923.

It is accordingly an historic anomaly in the contemporary world to declare that a municipal taxpayer has a corporate-style, “direct and immediate” interest in his local taxes and budgets, unlike his more remote interest in federal and state taxes and outlays. This, however, is the premise underlying municipal taxpayer standing in the federal courts.

Third, municipal government, a creature of state law, is often deployed as an instrument of state policymaking. Frequently, for example, states bestow funds upon municipalities\textsuperscript{358} and mandate that localities provide specific public services.\textsuperscript{359} Among other concerns, the \textit{Winn} dissent focused on the fungibility of tax benefits and cash distributions\textsuperscript{360} just as the \textit{Valley Forge} dissents focused on the fungibility of property and cash.\textsuperscript{361} In similar fashion, from the perspective of state decision makers, municipal and state policies are often close substitutes for one another. It is accordingly unpersuasive for the federal courts to entertain constitutional challenges to the actions of state policymakers when such policymakers act through municipal law, while foreclosing constitutional challenges to the actions of those same policymakers when they utilize state taxes and outlays.

Consider in this context the local property tax exemption at issue in \textit{Cuno}. That municipal exemption was authorized and governed by

\textsuperscript{357} Id.

\textsuperscript{358} \textit{See Smith}, 641 F. 2d at 222 (“Perhaps in 1923 it was easy to speak of city and state treasuries as distinct. Yet today, particularly in the context of a public school case, it is pure fiction to think of municipal (or county) treasuries as holding money raised only through local taxes.”) (Sutton, J., concurring) (parenthesis in original).


Ohio state law. As an alternative to this local property tax exemption, Ohio could instead have offset DaimlerChrysler's property tax burden on its new plant by granting a state income tax credit for such property taxes. From the vantages of DaimlerChrysler, the Ohio treasury and the affected municipalities, this alternative would have been, in economic terms, largely indistinguishable from the municipal property tax exemption actually authorized by state law and granted to DaimlerChrysler. DaimlerChrysler's ultimate economic position is the same whether it pays no property taxes or pays such taxes and receives an offsetting income tax credit.

It is unpersuasive for current federal standing law to dispense different treatment to the taxpayers questioning these economically identical approaches, i.e., to grant standing in federal court for a municipal taxpayer to challenge the local property tax exemption while denying standing in federal court for that same individual, in his capacity as an Ohio state taxpayer, to challenge an economically equivalent Ohio income tax credit for local property taxes.

Consider as well a variant on the state income tax credits at issue in Winn. Suppose that, in lieu of such credits, Arizona had authorized (or mandated) municipal governments to give matching grants to any resident of the municipality contributing to an STO. From the vantages of the donors receiving this match and of the STOs receiving contributions, this alternative would have been economically indistinguishable from the state income tax credits Arizona actually adopted. An Arizona taxpayer contributing to an STO is in the same economic position if his contribution triggers a municipal grant to him or a state income tax credit. However, under current law, a municipal taxpayer has standing in the federal courts to challenge the constitutionality of municipal matching grants, though that same individual, as a state taxpayer, lacks standing in the federal courts to challenge an economically equivalent state income tax credit.

As we have seen, Winn and Cuno do not bar state taxpayers from bringing constitutional challenges to state taxes and expenditures; rather, they channel such challenges to the state courts where state taxpayers typically have the standing they lack in the

363. To make this hypothetical state tax credit perfectly indistinguishable from the municipal property tax exemption, it would be necessary for Ohio to reduce state assistance to the locality and school districts in which the new DaimlerChrysler plant was to be located.
federal courts. Just as the states provide more liberal standing to state taxpayers, the states afford generous standing to municipal taxpayers.364 Since state taxpayers must now bring their generalized constitutional challenges to state taxes and outlays in the state courts, it is anomalous to permit municipal taxpayers to bring similar constitutional challenges to local taxes and expenditures in the federal courts; the state courts are available to municipal taxpayers as well.

Instructive in this context is a comparison of Nyquist and Walz. Today, under Winn, the Nyquist taxpayers must mount their constitutional challenge to New York State tax deductions in the courts of the Empire State while Mr. Walz, a New York City property taxpayer, has standing in the federal courts to object to the New York tax exemption for church property. By such criteria as population and the size of its governmental budget, New York City is larger than most states.365 Frothingham's premise for municipal taxpayer standing in the federal courts is that, in contrast to a federal or state taxpayer, a local taxpayer has a "direct and immediate"366 interest in municipal outlays, an interest resembling "that subsisting between stockholder and private corporation."367 While that premise may be plausible today for a local taxpayer who lives in a small town or in a modestly-sized suburban community, it is unconvincing as applied to Mr. Walz and the residents of other large cities.

Moreover, New York State's Constitution mandated the municipal property tax exemption for church properties to which Mr. Walz objected. There is no reason for permitting local taxpayers like Mr. Walz to litigate in the federal courts against the municipal tax rules promulgated by governors and legislators now that, per Cuno and Winn, those courts have been closed to challenges to the state tax policies formulated by those same state officials.

VI. The Problem (or Not) of Federal Constitutional Law Unsupervised by the U.S. Supreme Court

As a result of Cuno, Winn and the states' more liberal taxpayer standing rules, there will emerge a body of federal constitutional law

364. See, e.g., CAL. CIV. PROC. CODE § 526a; OHIO REV. CODE ANN. §§ 309.12, 309.13 and 733.59; S.D. CODIFIED LAWS § 9-1-6.
365. The 2010 census put New York City's population at 8,175,133, a population larger than 39 of the states.
367. Id. at 487.
over which the U.S. Supreme Court lacks direct supervisory authority, namely, decisions of the state courts upholding state tax and spending policies in the face of state taxpayers' Cuno- and Winn-type constitutional challenges to those policies. Since the state taxpayers bringing these cases will lack individualized harm, they will lack standing in the federal courts. Hence, the resulting constitutional decisions of the state courts will not be reviewable by the U.S. Supreme Court when these taxpayers lose in the state courts.

On balance, state court judges, elected or appointed for a term of years, will be more inclined to uphold state taxes and expenditures against constitutional challenges than will life-tenured federal judges. Consequently, this body of constitutional law, developed in the state courts, will be more permissive toward state tax and expenditure policies than would a comparable body of constitutional case law constructed in the federal courts.

Moreover, this state-friendly constitutional case law will be smaller quantitatively than a comparable body of decisions in the federal courts would be. As it becomes clear that state courts are less receptive to claims brought under the U.S. Constitution by state taxpayers against state expenditures and tax policies, fewer taxpayers will bring such claims.

Recall in this context the litigation in the Arizona state courts challenging the constitutionality of the Grand Canyon state's income tax credit for contributions to STOs. \(^{368}\) Today, as a result of Cuno and Winn, that litigation would end with the decision of the Arizona Supreme Court upholding the Arizona tax credit under the First Amendment. Because Arizona state taxpayers have standing in the state but not the federal courts to bring generalized challenges to state tax benefits, such taxpayers, when they lose in the state courts, will have no recourse to the federal judiciary. The same is also true today of Cuno-type constitutional challenges to state tax credits and Nyquist- and Mueller-type challenges to state tax deductions. These cases will be brought in the state courts where state taxpayers have standing—and will end in the state courts if such courts uphold the contested tax benefits under the U.S. Constitution. The state taxpayers bringing these suits claim no individualized harm and thus lack standing to go further into the federal courts including the U.S. Supreme Court.

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At least at the margins and perhaps more fundamentally, state judges, generally elected or appointed for fixed terms of office, will be more inclined to sustain state taxes and expenditures against constitutional challenges than would life-tenured federal judges. Cases like Cuno, Winn, Muller, Nyquist, Hunt, and Walz rarely involve the straightforward application of settled law. More typically, adjudicating constitutional cases like these entails the exercise of some (often a significant) measure of judicial volition since these cases are seldom controlled "by the unambiguous language of authoritative documents." In the exercise this volition, some, perhaps many, state judges will be inclined to uphold the policies enacted by the governors and legislators whose electoral support such judges need for reelection or whose political support such judges need for reappointment and confirmation. Even if state judges are not affected by the prospects of reelection or reappointment, they are situated in the culture of state government and will thus generally be more predisposed to support the decisions of state legislators and governors than will be federal judges, who are not so situated. Thus, the body of law developed under the U.S. Constitution by the state courts after Cuno and Winn will, on balance, likely be more state-friendly than a comparable body of decisions crafted by life-tenured federal judges.

Instructive in this context is the literature which assesses whether judges decide cases differently depending upon the method by which such judges are selected (e.g., gubernatorial appointment v. partisan election) or the nature of their tenures (e.g., short v. long-terms of office). What emerges from this literature is, in many ways, a

369. See, e.g., ILL. CONST. art. VI, § 10 ("The terms of office of Supreme and Appellate Court Judges shall be ten years; of Circuit Judges, six years; and of Associate Judges, four years."); ILL. CONST. art. VI, §12(a) ("Judges shall be elected at general or judicial elections...").

370. See, e.g., CONN. CONST. art. V, §2 as amended by CONN. CONST. amend. art. XXV (judges are "nominated by the governor from candidates submitted by the judicial selection commission" and "appointed by the general assembly" "for the term of eight years.").


372. See, e.g., Stephen J. Choi, G. Mitu Gulati and Eric A. Posner, Professionals or Politicians: The Uncertain Empirical Case for an Elected Rather than Appointed Judiciary at 8 ("The literature, taken as a whole, provides evidence that selection and retention institutions influence judicial outcomes—by influencing who becomes a judge, or how judges decide cases, or both. The literature also confirms that judges are influenced by political factors.").
nuanced picture. Reassuringly, legal norms and doctrines constrain judicial decision-making. A simple story is too simple: In some areas of the law, there is no discernible difference in the decisions of elected and appointed judges.373

However, in other areas, particularly in matters relating to criminal law and procedure,374 it appears that, holding other variables constant, elected judges decide against criminal defendants more readily than do appointed judges. This may be because there are electoral incentives to appear tough on crime at reelection time or because pro-prosecution candidates are more likely to be selected by the electorate—or both.

Similarly, it is likely that some, perhaps many, state court judges, confronted with taxpayers’ challenges to state policies and expenditures under the U.S. Constitution, will, at least at the margins, be more supportive of such policies and expenditures than the federal judiciary would be.

Among the countervailing considerations, elected judges can plausibly conclude that no countermajoritarian difficulty exists when they invalidate state laws on constitutional grounds since these judges have their own electoral mandates from the voters. A state court judge in her final term of office will be unconcerned about reelection or reappointment and consequently will be more likely to strike the tax and expenditure legislation enacted by her contemporaries in the statehouse and the Governor’s Mansion.375 Other state court judges may be early in their terms of office and can thus comfortably assume that the incumbent governor and legislators will be out of office when these judges seek reappointment or reelection. Or such judges, early in their respective terms of office, may conclude that, with the passage of time, those incumbents will move on to other issues. Moreover, tax and expenditure policies currently being challenged by state


374. Id. at 131 (“elected judges, directly controlled by popular opinion, weigh in on the side of order, and against freedom, by rejecting a due-process model of criminal justice in favor of a crime-control model.”); Paul Brace and Brent D. Boyea, Judicial Selection Methods and Capital Punishment in the American States in MATTHEW J. STREB (ed.), RUNNING FOR JUDGE: THE RISING POLITICAL, FINANCIAL, AND LEGAL STAKES OF JUDICIAL ELECTIONS (2007) at 197 (“state supreme court judges in capital punishment cases may vote with an eye toward the next election.”).

375. Brace and Boyea, id. at 194 (“There is a remarkable similarity of the frequency of reversal voting between retiring judges and judges in appointive courts.”).
taxpayers today may have been adopted by earlier legislators and governors; the current incumbents might be indifferent to (or hostile towards) these policies and thus be unconcerned about (or supportive of) judicial decisions to strike such policies as unconstitutional. Even the research which concludes that judicial behavior is affected by the method by which judges are selected and by their terms of office suggests that these factors do not alone explain such behavior: Legal norms and doctrines matter.376

However, on balance, state courts, in contrast to federal courts, will be more likely to uphold state taxes and expenditures against constitutional challenge, given the incentives such state judges face to secure reelection or reappointment as well as the culture of state government in which such judges are situated. When constitutional principles and case law give reasonable scope for the exercise of judicial volition, we can expect that, everything else being equal, state court judges will be more inclined than their federal counterparts to uphold state law against the constitutional challenges mounted by state taxpayers.

_Cuno_ and _Winn_ will reinforce the state courts' greater tendency to uphold state law by denying U.S. Supreme Court review of state courts' decisions sustaining state taxes and expenditures against challenges under the U.S. Constitution brought by state taxpayers with generalized grievances. Since, absent individualized injury, state taxpayers who lose in the state courts lack standing in the federal courts, the state court decisions on the constitutionality of state taxes and expenditures, unreviewable by the U.S. Supreme Court, will be more state-friendly than would a comparable set of decisions by federal judges.

For the long run, this will discourage some, perhaps many, state taxpayers from bringing such challenges. Thus, the body of case law developed by the state courts post-_Cuno_, post-_Winn_ will both be

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376. Consider, for example, the research of Professors Brace and Boyea, which demonstrates that elected judges in states with strong popular support for the death penalty "reverse death sentences 20 percent of the time." _Id._ at 192. In contrast, appointed judges in states with strong popular support for the death penalty reverse capital punishment verdicts "29 percent of the time." _Id._ That statistically higher reversal rate can plausibly be attributed to the different incentives faced by elected and appointed judges. On the other hand, elected and appointed judges come to similar decisions in capital cases 91 percent of the time, i.e., the 20 percent of overlapping cases when both types of judges reverse death sentences and the 71 percent of cases when both elected and appointed judges affirm such sentences. Thus, in 91 percent of these capital cases, something explains the similarity of outcomes. Commonly accepted legal norms and doctrine are the best explanation for these similar outcomes.
more state-friendly (since state court judges will be more inclined than federal judges to uphold state policies and expenditures under the U.S. Constitution) and smaller (since fewer state taxpayers will mount challenges, given their reduced odds of success in the state, as opposed to the federal, courts).

For those who prefer a tidy legal system (I am one of these), this prospect is, at first blush, unsettling. On a second take, however, four considerations caution that this outcome, while messy, is potentially manageable.

First, as Chief Justice Rehnquist noted in ASARCO, there is already federal constitutional law beyond the direct supervision of the U.S. Supreme Court, namely, the advisory opinions issued by certain state courts on questions of federal constitutional law. Second, our constitutional order survives often-lengthy disagreements among the lower courts. Circuit-splits may persist for years before the U.S. Supreme Court resolves them.

Third, given how few cases the U.S. Supreme Court hears today, that Court’s direct supervision of the state courts is already quite attenuated. In the tax context, that supervision is attenuated further by the Tax Injunction Act which channels most particularized claims for state and local tax relief into the state courts and thereby precludes consideration of such claims by the lower federal courts, likely to be more responsive to the teachings of the U.S. Supreme Court than will their state counterparts.

Finally, when state courts declare state tax laws and expenditures unconstitutional, the state, as the injured party, has standing to seek certiorari in the U.S. Supreme Court. When the state courts strike state tax and expenditure policies as unconstitutional and the state does not seek a writ of certiorari, there will often be ASARCO-type defendants who benefit from the stricken laws. These defendants will, per ASARCO, have particularized injury and thus standing in the U.S. Supreme Court. Consequently, the Court will have the opportunity to develop constitutional principles and decisional law relative to state taxes and expenditures whenever a state court rules

378. Id.
against the state and a beneficiary of the stricken state policy or the state itself asks the U.S. Supreme Court to review the state court’s decision under the U.S. Constitution. To create a thicker network of cases constraining the state courts, the U.S. Supreme Court can elect to hear more of these cases.

As a tactical matter, the state courts might become adept at denying intervening defendant status to ASARCO-type parties to reduce the (already small) chance that the U.S. Supreme Court will be the final adjudicator. But, that prospect, for now at least, seems tenuous. In short, as to state taxpayers’ constitutional challenges to state taxes and expenditures, the post-Cuno, post-Winn world will be messy but not unmanageably so.

Instructive in this context is Freedom From Religion Foundation v. Geithner, which challenged under the federal and California constitutions the parsonage allowance exclusions of the federal and California income taxes. FFRF was brought by individuals who are federal and California taxpayers and was filed in the U.S. District Court prior to the U.S. Supreme Court’s decision in Winn. The FFRF taxpayers do not assert any individualized injury to themselves. They thus now lack standing to continue this litigation in the federal courts. However, these taxpayers have a strong claim to standing under California law for their challenge to the California version of the parsonage allowance, a challenge premised both on the Establishment Clause of the U.S. Constitution and the equivalent provisions of the California Constitution.

On the merits, the claim of the FFRF taxpayer/plaintiffs that the parsonage allowance unconstitutionally entangles church and state is unpersuasive since either alternative, i.e., taxing parsonage allowances or not, enmeshes church and state. For present purposes, however, the relevant issue is the standing of the FFRF taxpayer/plaintiffs to continue their litigation in the California state courts now that Winn denies state taxpayers standing in the federal courts. It appears that these plaintiff/taxpayers have state court


382. Edward A. Zelinsky, Do Religious Tax Exemptions Entangle in Violation of the Establishment Clause? 33 CARDOZO L. REV. 1633 (2012). However, while I conclude that the parsonage allowance is constitutional, I also conclude that it is unwise as a matter of tax policy since recipients of the allowance have the cash to pay the income tax and there is no valuation issue as there is with housing provided in-kind.
standing to mount a “taxpayer action . . . against the State”383 or to seek a writ of mandamus as persons who are “beneficially interested”384 in the exclusions provided by the California income tax.

Suppose, then, that the California Supreme Court ultimately holds (as I think it should) that the parsonage allowance does not violate the First Amendment’s Establishment Clause of the U.S. Constitution.385 Such a decision will be the terminus of the FFRF litigation since the FFRF taxpayer/plaintiffs, lacking individualized harm, lack standing in the federal courts and thus cannot obtain a writ of certiorari in the U.S. Supreme Court.

Suppose that, instead, the Golden State’s Supreme Court strikes California’s income tax exclusion for parsonage allowances under the First Amendment of the U.S. Constitution. In that case, the state, as an injured party, could seek a writ of certiorari to salvage its tax statute. However, the current officers of California’s executive branch might instead prefer to accept the court’s decision and collect the income tax revenues which result from the court’s invalidation of the state’s parsonage allowance exclusion. In the federal courts, clergy benefitting from the allowance were denied status in the FFRF litigation as intervening defendants.386 If that remains the case and if the current officeholders were to accept a decision of the California Supreme Court nullifying the Golden State’s parsonage allowance exclusion under the First Amendment, there would be no ASARCO-type defendant to seek certiorari in the U.S. Supreme Court. Thus, the U.S. Supreme Court could not review this First Amendment decision of the California court.

383. Vasquez v. California, 105 Cal App 4th 849, 852 (2003). See also id. at 854 (“The individual citizen must be able to take the initiative through taxpayers’ suits to keep government accountable on the state as well as on the local level.”) (internal citations and quotations omitted).

384. CAL. CIV. PROC. CODE § 1086.

385. This issue only need be addressed if the California Supreme Court sustains the parsonage allowance against challenge under the equivalent provisions of the California Constitution. See CAL. CONST. art I, §4 (“The Legislature shall make no law respecting an establishment of religion.”) and art. XVI, §5 (“Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall even make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose . . .”).

386. See Freedom from Religion Foundation, Inc. v. Geithner, 644 F.3d 836 (9th Cir. 2011) (affirming in part and reversing in part with respect to clergymen’s motion to intervene).
For those who prefer fastidious outcomes and processes, this potentially messy result would be disconcerting. However, this possibility, while untidy, is manageable.

VII. Conclusion

Cuno and Winn definitively end the broader standing possibilities raised by Flast and confirm that, in the absence of individualized harm, state taxpayers lack standing in the federal courts to challenge state expenditures and taxes. Frothingham, Doremus and their no-taxpayer-standing rule again control the Court’s jurisprudence. Because the states generally have more liberal taxpayer standing rules than do the federal courts, Cuno and Winn will not terminate taxpayers’ constitutional challenges to state taxes and expenditures, but will instead channel such challenges from the federal courts (where taxpayers do not have standing) to the state courts (where they do). In the aftermath of Cuno and Winn, municipal taxpayer standing in the federal courts is an historic anomaly, given the now near-absolute bar in the federal courts on state taxpayer standing. As a result of the channeling caused by Cuno and Winn, there will in the future develop in the state courts a body of law under the U.S. Constitution governing state taxes and outlays.

This body of law will be beyond the review of the U.S. Supreme Court because of that Court’s rejection of state taxpayer standing in the federal courts. State court judges will be more inclined than their federal counterparts to uphold state tax and expenditure policies against constitutional challenge. Consequently, this body of constitutional law developed by the state courts, lacking direct supervision by the U.S. Supreme Court, will be more state-friendly than would a comparable corpus of cases decided by federal judges under the U.S. Constitution—at least at the margins, perhaps more fundamentally. This outcome, while untidy, is potentially manageable.