



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 480** HLS 24RS 671
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 27, 2024 3:35 PM	Author: MYERS
Dept./Agy.: Revenue	Analyst: Benjamin Vincent
Subject: Income Tax Withholding: Gaming Winnings	

TAX/INCOME TAX RE NO IMPACT GF RV See Note Page 1 of 1
 Provides relative to income tax withholding on gaming winnings

Current administrative law requires all persons that pay gaming winnings that are subject to withholding of federal income tax under federal law to withhold, remit, and electronically report state income taxes to LDR quarterly, and to furnish a list naming all persons who were subject to withholding to LDR annually. Casinos that pay slot winnings and are required to issue an IRS Form W2-G and withhold income taxes, regardless of IRS code. Current administrative law requires withholding of state income tax at the highest personal income tax rate in statute.

Proposed law codifies existing administrative law provisions into statute, and requires the annual report to be submitted to LDR on or before January 31. LDR is directed to establish administrative rules as necessary to implement. Effective August 1, 2024, as required administrative rules are already in effect.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

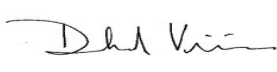
There is no anticipated direct material effect on governmental expenditures as a result of this measure. LFO notes that the Lottery Corporation is an entity affected by proposed law, however withholding and reporting is already current Lottery practice, pursuant to existing administrative code.

REVENUE EXPLANATION

Proposed law codifies into statute several existing provisions of the administrative code. The existing regulations that would be codified require withholding of gaming winnings at the existing highest state personal income tax rate, and reporting of certain withholding information to LDR on a quarterly and annual basis. LDR reports no known or suspected material non-compliance by businesses that pay such winnings, thus no material revenue impact due to enhanced compliance or reporting is anticipated due to proposed law.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



Deborah Vivien
Chief Economist