

2024 Regular Session

HOUSE BILL NO. 480

BY REPRESENTATIVE MYERS

TAX/INCOME TAX: Provides relative to income tax withholding on gaming winnings

1 AN ACT

2 To enact R.S. 47:164(D)(3), (E), and (F), relative to income tax withholding; to provide
3 requirements for income tax withholdings on certain winnings; to provide for
4 procedures of the Department of Revenue with respect to certain income tax
5 withholdings; to require reporting in connection with such withholdings; to require
6 promulgation of administrative rules; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:164(D)(3), (E), and (F) are hereby enacted to read as follows:

9 §164. Information required and withholding of tax at source

10 * * *

11 D. Withholding of tax at source.

12 * * *

13 (3)(a)(i) Any person that pays gaming winnings won in this state shall
14 withhold individual income taxes at the highest rate provided for in R.S. 47:32(A)
15 if federal income taxes are required to be withheld on those winnings pursuant to 26
16 U.S.C. 3402.

17 (ii) Notwithstanding Item (i) of this Subparagraph, casinos that pay slot
18 machine winnings and are required to issue an IRS Form W2-G to the recipient shall
19 withhold individual income taxes on those winnings at the highest rate provided for
20 in R.S. 47:32(A).

1 (iii) Any person that pays sports wagering or fantasy sports contest winnings
 2 won in this state shall withhold individual income taxes at the highest rate provided
 3 for in R.S. 47:32(A) if federal income taxes are required to be withheld on those
 4 winnings pursuant to 26 U.S.C. 3402.

5 (b) The requirements of Subparagraph (a) of this Paragraph shall apply with
 6 respect to winnings of all individuals, whether residents or nonresidents of this state.

7 (c) On or before the thirty-first day of January of each year, any person
 8 required to deduct and withhold income taxes on winnings in accordance with
 9 Subparagraph (a) of this Paragraph shall submit to the secretary of the Department
 10 of Revenue, in electronic format, a report listing the names of all persons whose
 11 winnings were subject to withholding in the prior calendar year and provide all other
 12 information in connection with such winnings as the department may require by rule.

13 E.(1) Any person required to deduct and withhold any tax pursuant to this
 14 Section shall electronically report and remit the withholdings to the secretary of the
 15 Department of Revenue in accordance with the requirements provided in R.S.
 16 47:112(L) and 114.

17 (2) The provisions of R.S. 47:115 shall apply to this Section.

18 F. The secretary of the Department of Revenue shall promulgate in
 19 accordance with the Administrative Procedure Act all such rules as are necessary to
 20 implement the provisions of this Section.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 480 Reengrossed

2024 Regular Session

Myers

Abstract: Provides requirements for income tax withholding on gaming, slot machine, sports wagering, and fantasy sports contest winnings.

Present law provides that for purposes of present law relative to revenue and taxation (Title 47 of the La. R.S.), "person" includes any natural person, firm, partnership, association, corporation, company, syndicate, estate, trust, business trust, or organization of any kind.

Present law provides that the highest rate of individual income tax is 4.25%.

Proposed law requires any person that pays gaming winnings won in this state to withhold individual income taxes at the highest rate provided for in present law if federal income taxes are required to be withheld on those winnings.

Proposed law requires casinos that pay slot machine winnings and are required to issue an IRS Form W2-G to the recipient to withhold individual income taxes on those winnings at the highest rate provided for in present law.

Proposed law requires any person that pays sports wagering or fantasy sports contest winnings won in this state to withhold individual income taxes at the highest rate provided for in present law if federal income taxes are required to be withheld on those winnings.

Proposed law stipulates that its requirements apply to winnings of all individuals, whether residents or nonresidents of this state.

Proposed law requires that on or before January 31 annually, any person required to deduct and withhold income taxes on winnings in accordance with proposed law shall electronically submit to the Dept. of Revenue, referred to hereafter as the "department", a report listing the names of all persons whose winnings were subject to withholding in the prior calendar year. Requires further that, in the annual report, such persons provide all other information as the department may require by rule.

Proposed law provides that any person required to deduct and withhold any tax pursuant to present law and proposed law shall electronically report and remit the withholdings to the department in accordance with applicable requirements of present law.

Proposed law stipulates that certain provisions of present law relative to refunds and credits shall apply to present law and proposed law.

Proposed law requires the department to promulgate all such administrative rules as are necessary to implement present law and proposed law.

(Adds R.S. 47:164(D)(3), (E), and (F))

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change a reference to the types of monies subject to income tax withholding pursuant to proposed law from "gaming winnings" to "winnings".
2. Reorganize the electronic reporting and remittance requirements provided in proposed law.
3. Establish January 31 of each year as the due-by date for the annual report required from entities that withhold income tax on winnings pursuant to proposed law.
4. Specify that any person required to deduct and withhold any tax pursuant to present law and proposed law shall electronically report and remit the withholdings to the Dept. of Revenue in accordance with applicable requirements of present law.
5. Stipulate that certain provisions of present law relative to refunds and credits shall apply to present law and proposed law.
6. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Delete proposed law requiring casinos that pay slot machine winnings in excess of \$1,200 to issue an IRS Form W2-G and withhold individual income taxes on those winnings at the highest rate provided for in present law regardless of whether the winnings are exempt from federal withholding.
2. Require casinos that pay slot machine winnings and are required to issue an IRS Form W2-G to the recipient to withhold individual income taxes on those winnings at the highest rate provided for in present law.
3. Make technical changes.