

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 520 Session of 2011

INTRODUCED BY HARRIS, BARRAR, BENNINGHOFF, CALTAGIRONE, CARROLL, CAUSER, CHRISTIANA, COX, DAY, DUNBAR, FLECK, GABLER, GEIST, GILLESPIE, GRELL, GROVE, HESS, M.K. KELLER, F. KELLER, KILLION, KORTZ, MASSER, METCALFE, METZGAR, MILNE, MOUL, MULLERY, MUNDY, MURT, O'NEILL, PAYNE, PEIFER, PERRY, PYLE, QUIGLEY, REED, ROAE, ROCK, SAYLOR, SCAVELLO, STERN, VULAKOVICH, WATSON, JOSEPHS, MILLER, BEAR, FARRY, PASHINSKI AND HORNAMAN, FEBRUARY 8, 2011

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES,
AS AMENDED, MARCH 2, 2011

AN ACT

1 Amending the act of August 26, 1971 (P.L.351, No.91), entitled
2 "An act providing for a State Lottery and administration
3 thereof; authorizing the creation of a State Lottery
4 Commission; prescribing its powers and duties; disposition of
5 funds; violations and penalties therefor; exemption of prizes
6 from State and local taxation and making an appropriation,"
7 providing for lottery winnings intercept.

8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 Section 1. The act of August 26, 1971 (P.L.351, No.91),
11 known as the State Lottery Law, is amended by adding a section
12 to read:

13 Section 315. Lottery winnings intercept.

14 (a) Duty of Department of Revenue.--In the case of any
15 person winning more than \$2,500 in the State Lottery, the
16 Department of Revenue shall make all reasonable efforts to
17 determine if the winner is a delinquent State taxpayer prior to



~~making any lottery winnings payment. If the winner is so found,
the amount of any State delinquent taxes due shall be deducted
from the amount of lottery winnings and paid to the Commonwealth~~
IN THE CASE OF ANY PERSON WINNING A SINGLE LOTTERY PRIZE OF MORE
THAN \$2,500 IN THE STATE LOTTERY, THE DEPARTMENT OF REVENUE
SHALL MAKE REASONABLE EFFORTS TO DETERMINE IF THE PRIZEWINNER IS
DELINQUENT IN THE PAYMENT OF PENNSYLVANIA STATE TAXES PRIOR TO
MAKING THE LOTTERY WINNINGS PAYMENT. IF THE DEPARTMENT
DETERMINES THAT THE PRIZEWINNER IS DELINQUENT IN THE PAYMENT OF
PENNSYLVANIA STATE TAXES, THE DEPARTMENT SHALL DEDUCT THE AMOUNT
OF ANY SUCH DELINQUENT TAXES FROM THE AMOUNT OF LOTTERY WINNINGS
AND PAY SUCH AMOUNT TO THE COMMONWEALTH TO SATISFY OR PARTIALLY
SATISFY ANY SUCH DELINQUENCIES. ANY DEDUCTIONS UNDER THIS PART
MAY ONLY BE MADE AFTER THE DEPARTMENT OF REVENUE DETERMINES THAT
EITHER THE PRIZEWINNER IS NOT SUBJECT TO A DEDUCTION FOR
DELINQUENT SUPPORT, OR THAT, AFTER DEDUCTING FOR DELINQUENT
SUPPORT, PRIZE AMOUNTS REMAIN THAT CAN BE SUBJECT TO DEDUCTION
FOR DELINQUENT PENNSYLVANIA STATE TAXES. IF APPLICABLE, WITHIN
30 DAYS OF THE DATE THE PRIZE WAS WON, THE DEPARTMENT OF REVENUE
SHALL NOTIFY THE PRIZEWINNER THAT THE PRIZE OR A PORTION OF THE
PRIZE WAS USED TO SATISFY OR PARTIALLY SATISFY STATE DELINQUENT
TAXES OWED.

(b) Right to review.--A lottery prizewinner whose prize is
used to satisfy OR PARTIALLY SATISFY an obligation under this
section may appeal to the Department of Revenue in accordance
with 2 Pa.C.S. (relating to administrative law and procedure),
EXCEPT THAT NO APPEAL MAY BE TAKEN UNDER THIS SECTION REGARDING
ANY PENNSYLVANIA STATE TAX DELINQUENCY. The appeal shall be
filed within 30 days after the prizewinner is notified by the
Department of Revenue that the prize has been reduced or totally

1 withheld to satisfy OR PARTIALLY SATISFY the amount of the
2 prizewinner's State delinquent taxes due.

3 (C) ADMINISTRATIVE FEE.--THE DEPARTMENT OF REVENUE SHALL
4 DETERMINE AND SET A FEE WHICH REFLECTS THE ACTUAL COSTS IT
5 INCURS TO ADMINISTER THIS SECTION AND DEDUCT THE CALCULATED
6 AMOUNT FROM THE LOTTERY WINNINGS.

7 (D) REPORT.--THE DEPARTMENT OF REVENUE SHALL ANNUALLY REPORT
8 TO THE FINANCE COMMITTEE OF THE SENATE AND THE FINANCE COMMITTEE
9 OF THE HOUSE OF REPRESENTATIVES THE AMOUNT OF STATE DELINQUENT
10 TAXES COLLECTED UNDER THIS SECTION.

11 ~~(c)~~ (E) Rules and regulations.--The Department of Revenue
12 shall promulgate rules and regulations necessary to carry out
13 this section.

14 Section 2. This act shall take effect ~~in 60 days~~
15 IMMEDIATELY.