AN ACT

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

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

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

Section 316. Lottery winnings intercept.

(a) Duty of Department of Revenue.--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:

(1) Make reasonable efforts to determine if the prizewinner has an outstanding State tax liability prior to paying the lottery prize. If the Department of Revenue determines that the prizewinner has an outstanding State
tax liability and the rights to appeal have expired with
no appeal having been taken or if an appeal has been
taken, it has been resolved and is not pending, the
Department of Revenue shall deduct from the lottery prize
the amount of outstanding State tax liability. A
deduction under this subparagraph may only be made after
the Department of Revenue determines under 23 Pa.C.S. §
4308 (relating to lottery winnings intercept) that either
the lottery prize 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 the amount of the outstanding
State tax liability.

(ii) Pay the amount deducted for support as provided
in 23 Pa.C.S. § 4308 and the amount deducted for any
outstanding State tax liability in accordance with the
act of March 4, 1971 (P.L.6, No.2), known as the Tax
Reform Code of 1971, to satisfy or partially satisfy the
prizewinner's delinquent support obligations or
outstanding State tax liability.

(2) Request the Department of Human Services to make a
reasonable effort to determine if the prizewinner is
currently a recipient of public assistance benefits in this
Commonwealth prior to paying the lottery prize. If the
prizewinner is found to be a recipient of public assistance
benefits in this Commonwealth, the Department of Human
Services shall determine the prizewinner's eligibility to
continue to receive public assistance benefits as a result of
winning the lottery prize.

(3) (i) In conjunction with the Administrative Office
of Pennsylvania Courts, make a reasonable effort to
determine if the prizewinner owes court-ordered
obligations. If a determination is made that the
prizewinner owes court-ordered obligations, the
Administrative Office of Pennsylvania Courts shall
provide the Department of Revenue with the total amount
of obligations owed.

(ii) If it is determined under subparagraph (i) that
the prizewinner owes court-ordered obligations, deduct
from the amount of the lottery prize remaining after the
deductions made under paragraph (1) the amount of the
obligations owed.

(iii) Pay the amounts deducted under subparagraph
(ii) as provided by applicable law to satisfy or
partially satisfy the prizewinner's court-ordered
obligations. The Administrative Office of Pennsylvania
Courts shall furnish the Department of Revenue with the
information needed to make the payments.

(4) As soon as reasonably possible after the lottery
prize was claimed, notwithstanding the provisions of 23
Pa.C.S. § 4308(b)(7):

(i) award the prizewinner the amount of the lottery
prize to be paid to the prizewinner after any deductions
made under paragraphs (1) and (3) and subsection (c); and

(ii) if applicable, notify the prizewinner that part
or all of the lottery prize was used to satisfy the
prizewinner's obligations described in paragraphs (1) and
(3). If the amount of the lottery prize is not sufficient
to fully satisfy any of the obligations of the
prizewinner, the prizewinner shall owe the balance of the
obligations as provided under applicable law.

(b) Right to review.--

(1) A prizewinner whose prize is used to satisfy or partially satisfy an outstanding State tax obligation under subsection (a)(1) may file a petition of review with the Department of Revenue within 90 days after the mailing of the notice under subsection (a)(4). The only issue that may be considered is whether the proper amount of the State tax obligation was deducted or there is an unresolved valid and timely filed State tax appeal of the State tax obligation. The provisions of Article XXVII of the Tax Reform Code of 1971 shall apply to each appeal under this section.

(2) If it is determined under subsection (a)(2) that the prizewinner is no longer eligible for public assistance benefits in this Commonwealth, the Department of Human Services shall notify the prizewinner and the Department of Revenue and the prizewinner shall be subject to the act of June 13, 1967 (P.L.31, No.21), known as the Human Services Code.

(c) Administrative fee.--The Department of Revenue shall determine and set a fee which reflects the actual costs it incurs to administer this section with respect to a specific prizewinner and deduct the calculated amount from the lottery prize if the prizewinner is found to have an outstanding State tax liability or court-ordered obligations subject to a deduction under subsection (a)(1) or (3).

(d) Report.--The Department of Revenue shall annually report to the Finance Committee of the Senate and the Finance Committee of the House of Representatives the amount of outstanding State tax liability and court-ordered obligations collected under this section.

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section.

(e) Rules and regulations.--The Department of Revenue may promulgate rules and regulations necessary to carry out this section.

Section 2. This act shall take effect as follows:

(1) The addition of section 316(a)(3) of the act shall take effect in 180 days.

(2) The remainder of this act shall take effect immediately.