

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1489 Session of 2013

INTRODUCED BY C. HARRIS, KORTZ, MILLARD, FLECK, O'NEILL, MULLERY, CUTLER, CALTAGIRONE, WHITE, MOUL, OBERLANDER, SCHLOSSBERG, F. KELLER, COHEN, BENNINGHOFF, CARROLL, GROVE, MILNE, MURT AND SCHLEGEL CULVER, JUNE 5, 2013

AS REPORTED FROM COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES, AS AMENDED, NOVEMBER 19, 2013

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 316. Lottery winnings intercept.

14 (a) Duty of Department of Revenue.--In the case of any
15 person winning a single lottery prize of more than \$2,500 in the
16 State Lottery, the Department of Revenue shall make reasonable <--

17 STATE LOTTERY, THE DEPARTMENT OF REVENUE SHALL: <--

18 (1) MAKE REASONABLE efforts to determine if the
19 prizewinner is delinquent in the payment of Pennsylvania <--

1 ~~State taxes~~ HAS AN OUTSTANDING STATE TAX LIABILITY prior to <--
2 making the lottery winnings payment. If the department
3 determines that the prizewinner is delinquent in the payment <--
4 of Pennsylvania State taxes HAS AN OUTSTANDING TAX LIABILITY <--
5 AND ALL RIGHTS TO APPEAL HAVE EXPIRED, the department shall
6 deduct the amount of any such delinquent taxes from the
7 amount of lottery winnings and pay such amount to the
8 Commonwealth to satisfy or partially satisfy any such <--
9 delinquencies TAX LIABILITY. Any deductions under this part <--
10 may only be made after the Department of Revenue determines
11 that either the prizewinner is not subject to a deduction for
12 delinquent support, or that, after deducting for delinquent
13 support, prize amounts remain that can be subject to
14 deduction for delinquent Pennsylvania State taxes. If
15 applicable, within 30 days of the date the prize was won <--
16 CLAIMED, the Department of Revenue shall notify the <--
17 prizewinner that the prize or a portion of the prize was used
18 to satisfy or partially satisfy State delinquent taxes owed.
19 (2) REQUEST THE DEPARTMENT OF PUBLIC WELFARE TO MAKE A <--
20 REASONABLE EFFORT TO DETERMINE IF THE PRIZEWINNER IS
21 CURRENTLY A RECIPIENT OF PUBLIC ASSISTANCE BENEFITS PRIOR TO
22 MAKING THE LOTTERY WINNINGS PAYMENT. IF THE PRIZEWINNER IS
23 FOUND TO BE A RECIPIENT OF PUBLIC ASSISTANCE BENEFITS, THE
24 DEPARTMENT OF PUBLIC WELFARE SHALL DETERMINE THE
25 PRIZEWINNER'S ELIGIBILITY TO RECEIVE PUBLIC ASSISTANCE
26 BENEFITS.
27 ~~(b) Right to review. A lottery prizewinner whose prize is <--~~
28 ~~(B) RIGHT TO REVIEW.-- <--~~
29 (1) A LOTTERY PRIZEWINNER WHOSE PRIZE IS used to satisfy
30 or partially satisfy an obligation under this section <--

1 SUBSECTION (A) (1) may appeal to the Department of Revenue in <--
2 accordance with 2 Pa.C.S. (relating to administrative law and
3 procedure), except that no appeal may be taken under this
4 section regarding any Pennsylvania State tax delinquency. The
5 appeal shall be filed within 30 days after the prizewinner is
6 notified UNDER SUBSECTION (A) by the Department of Revenue <--
7 that the prize has been reduced or totally withheld to
8 satisfy or partially satisfy the amount of the prizewinner's
9 State delinquent taxes due.

10 (2) IF IT IS DETERMINED UNDER SUBSECTION (A) (2) THAT THE <--
11 PRIZEWINNER IS NO LONGER ELIGIBLE FOR PUBLIC ASSISTANCE
12 BENEFITS, THE DEPARTMENT OF PUBLIC WELFARE AND THE
13 PRIZEWINNER SHALL BE SUBJECT TO THE ACT OF JUNE 13, 1967
14 (P.L.31, NO.21), KNOWN AS THE PUBLIC WELFARE CODE.

15 (c) Administrative fee.--The Department of Revenue AND THE <--
16 DEPARTMENT OF PUBLIC WELFARE shall determine and set a fee which
17 reflects the actual costs it incurs to administer this section
18 and deduct the calculated amount from the lottery winnings IF <--
19 THE PRIZEWINNER IS FOUND TO HAVE AN OUTSTANDING TAX LIABILITY
20 SUBJECT TO A DEDUCTION UNDER SUBSECTION (A).

21 (d) Report.--The Department of Revenue shall annually report
22 to the Finance Committee of the Senate and the Finance Committee
23 of the House of Representatives the amount of State delinquent
24 taxes collected under this section.

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

28 Section 2. This act shall take effect immediately.