



Synopsis of Senate Committee Amendments^{*}

Wendy H. Gridley

Legislative Service Commission

Sub. H.B. 122

126th General Assembly

(S. State & Local Government & Veterans Affairs Committee)

Adds to the House-passed version provisions necessary to increase from 3.5% to 6% the income tax withholding percentage on lottery winnings in general and to modify the basis upon which the withholding computation is made for certain lottery prize award payments. The bill applies the percentage to a narrower base in those cases where the right to receive lottery prize award payments has been sold or otherwise transferred a second, third, or subsequent time. In those cases, instead of the transferee withholding 6% of the total amount payable to the transferor, the transferee must withhold 6% of the part of each payment that represents gain or income the transferor must recognize for federal income tax purposes. (R.C. 3770.072 and 5747.062.)

Adds to the House-passed version a provision that authorizes the Tax Commissioner to impose a penalty of up to \$1,000 upon any transferor of such a lottery prize award payment who fails to timely provide the Tax Commissioner with a copy of a written statement (1) setting forth the amount of any payment representing gain or income recognized by the transferor for federal income tax purposes and (2) delivered to the transferee for purposes of withholding income tax on the gain or income instead of the entire amount of the payment (R.C. 3770.072(C)(1)).

Modifies the House-passed version's provisions regarding the status of certain lottery prize award "beneficial owner" information, by adding a provision authorizing the State Lottery Commission to share the name, address, and Social Security number of a beneficial owner (disclosed to the commission under the house-passed version's requirement) with certain other government agencies as authorized by two provisions of law pertaining to (1) the deduction of child or spousal support in default from lottery prize awards and (2) the deduction of taxes and certain other debts owed to the state from those awards (R.C. 3770.071--in the bill and R.C. 3770.073--not in the bill). The bill states that the shared information remains *confidential* and cannot be subject to inspection or copying under the Public Records Law unless the beneficial owner otherwise provides written, notarized consent. (R.C. 3770.07(A)(1) and (4).)

H0122-126.doc/ss

06/16/05

^{*} This synopsis does not address amendments that may have been adopted on the Senate floor.