

Legislative Analysis



CITY INCOME TAX WITHHOLDING OF GAMING WINNINGS

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House Bill 5924

Sponsor: Rep. Kevin Daley

Committee: Tax Policy

Complete to 11-10-14

A SUMMARY OF HOUSE BILL 5924 AS INTRODUCED 11-6-14

House Bill 5924 would add Section 32b to the Lottery Act (MCL 432.1 to 432.47). This new section would require the Bureau of State Lottery to withhold city income tax from gaming prizes if it is required to withhold state and federal income taxes on those prizes. The amount withheld will be immediately transferred to the city. This tax is assessed only on residents of cities that have chosen to impose an income tax under Public Act 284 of 1964.

FISCAL IMPACT:

As written, this bill is unlikely to have any fiscal impact on state or local revenues. This is true to the extent that resident taxpayers are already paying the required city income tax on any winnings. Under the proposed legislation, cities would simply receive those funds earlier than under current law. To the extent that taxpayers are not paying city income taxes on their winnings, these municipalities would see a small positive fiscal impact of indeterminate size.

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