



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 324 (as introduced 5-16-19)
Sponsor: Senator Kevin Daley
Committee: Regulatory Reform

Date Completed: 10-21-19

CONTENT

The bill would amend the Lottery Act to require the Bureau of State Lottery to withhold from a prize an amount equal to the city income tax rate (if the winner of the prize resided in a city that had adopted an ordinance imposing a tax on the income of residents), and transfer that amount withheld to the city.

Specifically, under the bill, if the Bureau were required to withhold Federal or State income taxes from a prize and if the winner of the prize resided in a city that had adopted an ordinance imposing a tax on the income of residents under the City Income Tax Act, the Bureau would have to withhold from the prize an amount computed by applying the rate set by the city ordinance to be levied on the income of residents at the time the prize was won. The Bureau would have to transfer the amount withheld to the city immediately.

Proposed MCL 432.32b

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill should have no fiscal impact on local government, as lottery winnings already are supposed to be included as taxable income for city income taxes. However, if withholding city income tax from lottery winnings increased compliance, cities that impose a city income tax would see a positive fiscal impact.

Fiscal Analyst: Ryan Bergan
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