

Introduced by

Finance and Taxation Committee

(At the request of the Tax Commissioner)

1 A BILL for an Act to create and enact a new section to chapter 57-38 of the North Dakota  
2 Century Code, relating to income tax withholding on lottery winnings; and to declare an  
3 emergency.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is  
6 created and enacted as follows:

7 **Withholding of lottery winnings.** The North Dakota lottery shall deduct and withhold  
8 five and fifty-four one-hundredths percent of the total proceeds of state lottery winnings as  
9 North Dakota withholding tax if the winnings are subject to withholding. For purposes of this  
10 section, "winnings subject to withholding" means the proceeds in excess of five thousand  
11 dollars won from a lottery game operated pursuant to chapter 53-12. Every person who  
12 receives a payment from the winnings that are subject to withholding shall furnish the lottery  
13 director with a statement, made under the penalties of perjury, containing the name, address,  
14 and taxpayer identification number of the recipient. The North Dakota lottery shall file returns as  
15 provided in section 57-38-60 and is liable for the payment of the tax required to be withheld, but  
16 is not liable to any person for the amount of the payment.

17 **SECTION 2. EMERGENCY.** This Act is declared to be an emergency measure.