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COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 445

(By Senators Prezioso, Facemire, Stollings, Plymale, McCabe and
Beach)

[Originating in the Committee on the Judiciary;
reported March 14, 2013.]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-10-5bb, relating to the collection of taxes; requiring the Lottery Commission to offset certain lottery prizes against the state tax liabilities of the prize winner; providing limitations period; and authorizing an agreement between the Tax Department and the Lottery Commission for the purpose of establishing collection procedures.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §11-10-5bb, to read as

1 follows:

2 **ARTICLE 10. WEST VIRGINIA TAX PROCEDURE AND ADMINISTRATION ACT.**

3 **§11-10-5bb. Applying lottery prizes to tax liabilities.**

4 (a) *Offsetting lottery prizes against tax liabilities.* - Upon
5 notification by the State Tax Department that a person who is
6 entitled to all or part of a lottery prize is delinquent in the
7 payment of any of the taxes administered under chapter eleven,
8 article ten of this code, the Lottery Director shall forward to the
9 State Tax Department the prize or portion thereof to be distributed
10 directly from the State Lottery Office, and such amount shall be
11 applied to pay the tax liabilities of the prize winner: *Provided,*
12 That such distribution shall be subject to the limitations on
13 collection provided in section sixteen of this article.

14 (b) *Administration.* - (1) The Tax Commissioner shall enter
15 into a written agreement with the Lottery Director for the purpose
16 of establishing a procedure for the collection of prizes as set
17 forth in subsection (a) of this section. The director shall include
18 in the agreement a method by which Lottery Director will provide
19 the names of lottery winners as expeditiously as possible.

20 (2) Notwithstanding any provision in this code to the
21 contrary, the Tax Commissioner may disclose tax information to the
22 Lottery Director for the purpose of administering the collection
23 procedure authorized in subsection (a) of this section, and the Tax
24 Commissioner and Lottery Director may enter into a written

1 agreement allowing and providing for the disclosure of tax
2 information for the purpose of administering the collection
3 procedure authorized in subsection (a) of this section.

4 (c) *Effective date.* - The provisions of this section shall
5 apply to all tax years beginning after December 31, 2013.