

May 24, 2006

S 1855. TAX ON LOTTERY WINNINGS/TEACHER STIPEND. Filed 5/24/06. *TO IMPOSE AN EXCISE TAX ON CERTAIN LOTTERY WINNINGS AND TO PROVIDE A STIPEND FOR TEACHERS.* Effective for taxable years beginning or after January 1, 2007, amends GS 105-134.6(b) to provide deductions from taxable income for winnings from the NC Education Lottery and funds received from the Public School Teacher Expense Stipend Fund. Effective for winnings paid on or after January 1, 2007, repeals GS 105-163.2B (providing that the NC State Lottery Commission must withhold state income taxes from winnings). Also effective for winnings paid on or after January 1, 2007, creates a new Article 5G in GS Chapter 105 providing for an excise tax on lottery winnings. Provides for a tax of 8.25% on winnings, that the tax will be collected by the Lottery Commission through withholding, and that taxes will be distributed to The Public School Teacher Expense Stipend Fund. Effective January 1, 2007, enacts GS 115C-302.3, creating The Public School Teacher Expense Stipend Fund as a special revenue fund in the Department of Public Instruction and provides for use of money in the fund.

Intro. by Goodall.

GS 105, 115C