

March 5, 2009

S 439. TAX ON LOTTERY WINNINGS. Filed 3/5/09. *TO IMPOSE AN EXCISE TAX ON CERTAIN LOTTERY WINNINGS AND TO PROVIDE A STIPEND FOR TEACHERS.*

Repeals GS 105-163.2B, which required the Lottery Commission to withhold taxes of 7% of winnings of \$600 or more. Replaces the repealed statute with Article 5H (Excise Tax on Lottery Winnings) in GS Chapter 105, which imposes an excise tax of 8.25% on winnings collected directly from Lottery Commission—that is, winnings of \$600 or more. Directs the Secretary of Revenue to distribute excise tax collected to the Public School Teacher Expense Stipend Fund (Fund), established by new GS 115C-302.3 as a special revenue fund in the Department of Public Instruction for the purpose of providing stipends to schoolteachers for classroom and professional expenses. Makes conforming changes to GS 105-134.6(b) to designate, as deductions from taxable income, lottery winnings that are subject to the excise tax and stipends received from the Fund. Effective January 1, 2009, with the deduction changes effective for taxable years on or after that date and the tax changes effective for winnings paid on or after that date.

Intro. by Goodall.

GS 105, 115C