## GENERAL ASSEMBLY OF NORTH CAROLINA SESSION 2007

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## HOUSE BILL 437

	Short Title:	Tax on Lottery Winnings/Comm. Coll. Equip.(Public)
	Sponsors:	Representatives Yongue, Tolson, Jeffus (Primary Sponsors); Cleveland, England, McLawhorn, and E. Warren.
	Referred to:	Appropriations, if favorable, Finance.
		March 1, 2007
1		A BILL TO BE ENTITLED
2	AN ACT APPROPRIATING THE TAX COLLECTED ON LOTTERY WINNINGS	
3	FOR COMMUNITY COLLEGE EQUIPMENT.	
4	The General Assembly of North Carolina enacts:	
5	SECTION 1. G.S. 105-163.2B reads as rewritten:	
6	"§ 105-163.2B. North Carolina State Lottery Commission must withhold taxes.	
7	The North Carolina State Lottery Commission, established by Chapter 18C of the	
8	General Statutes, must deduct and withhold State income taxes from the payment of	
9	winnings that are reportable to the Internal Revenue Service under section 3406 of the	
10	Code. The amount of taxes to be withheld is seven percent (7%) of the winnings. The	
11	Commission must file a return and pay the withheld taxes in the time and manner	
12	required under G.S. 105-163.6 as if the winnings were wages. The taxes the	
13	Commission withholds are held in trust for the Secretary.	
14	The Secretary of Revenue shall transfer these funds at the end of each quarter to the	
15	State Board of Community Colleges' Equipment Reserve Fund. The State Board of	
16	Community Colleges shall distribute these funds annually to the community colleges in	
17	accordance with G.S. 115D-31."	
18	SECTION 2. This act becomes effective July 1, 2007, and applies to	
19	winnings paid on or after that date.	