

2012 -- H 7943

=====
LC02205
=====

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

—————
A N A C T

RELATING TO TAXATION - PERSONAL INCOME TAX

Introduced By: Representatives Watson, and Ehrhardt

Date Introduced: March 14, 2012

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 44-30-71.2 of the General Laws in Chapter 44-30 entitled "Personal
2 Income Tax" is hereby amended to read as follows:

3 **44-30-71.2. Withholding of tax from lottery and pari-mutuel betting winnings. --** (a)
4 The director of lotteries shall deduct and withhold from the prize money of any person winning a
5 prize from the state lottery a tax computed in such a manner as to result, so far as practicable, in
6 an amount substantially equivalent to the tax reasonably estimated to be due resulting from the
7 inclusion in the individual's Rhode Island income of his or her prize money received during the
8 calendar year. The method of determining the amount to be withheld shall be prescribed by
9 regulations of the tax administrator, which regulations and amounts shall be based upon the
10 federal rules, regulations and procedures.

11 (b) Every licensee conducting or operating events upon which pari-mutuel betting is
12 allowed shall deduct and withhold from the winnings of any person a tax computed in such
13 manner as to result, so far as practicable, in an amount substantially equivalent to the tax
14 reasonably estimated to be due resulting from the inclusion in the individual's Rhode Island
15 income of his or her winnings received during the calendar year. The method of determining the
16 amount to be withheld shall be prescribed by regulations of the tax administrator, which
17 regulations and the amounts shall be based upon the federal rules, regulations and procedures.

18 (c) All sums withheld and remitted to the division of taxation pursuant to this section
19 shall be placed by the tax administrator in a restricted receipt account and distributed on the 30th

1 [day of September in each year to the cities and towns for educational purposes in an equal](#)
2 [amount for each city and town.](#)

3 SECTION 2. This act shall take effect upon passage.

=====
LC02205
=====

EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO TAXATION - PERSONAL INCOME TAX

1 This act would provide that sums withheld from lottery and pari-mutuel winnings for
2 state income tax would be placed by the tax administrator in a restricted receipt account and
3 distributed on the 30th day of September in each year to the cities and towns for educational
4 purposes in an equal amount for each city and town.

5 This act would take effect upon passage.

=====
LC02205
=====