

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 follows:

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

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

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

12 (b) *Administration.* – (1) The Tax Commissioner shall
13 enter into a written agreement with the Lottery Director for

14 the purpose of establishing a procedure for the collection of
15 prizes as set forth in subsection (a) of this section. The
16 director shall include in the agreement a method by which
17 Lottery Director will provide the names of lottery winners as
18 expeditiously as possible.

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

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