



State of Wisconsin  
2019 - 2020 LEGISLATURE

LRB-1933/P3  
EKL:amn&kjf

DOA:.....Gilchrist, BB0318 - Changes to improve debt collection through lottery operations

**FOR 2019-2021 BUDGET -- NOT READY FOR INTRODUCTION**

AN ACT ...; relating to: the budget.

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*Analysis by the Legislative Reference Bureau*

**TAXATION**

**GENERAL TAXATION**

**1. *Offsetting lottery payments for debt owed to state***

This bill modifies the program under which DOR is authorized to collect debt owed to state agencies by offsetting tax refunds and other state payments due to the debtor. The bill provides that lottery prizes of at least \$600 and compensation or payments owed to lottery retailers are offsettable refunds for purposes of the debt collection program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

**SECTION 1.** 71.93 (1) (d) 3. of the statutes is created to read:

71.93 (1) (d) 3. A lottery prize equal to at least \$600 that exceeds a debtor's Wisconsin tax liability or other liability owed to the department.

**SECTION 2.** 71.93 (1) (d) 4. of the statutes is created to read:

71.93 (1) (d) 4. Compensation or payment owed to a lottery retailer under ch. 565, whether owed by statute, rule, or contract, that exceeds a debtor's Wisconsin tax liability or liability owed to the department.

**SECTION 3.** 565.10 (17) of the statutes is created to read:

565.10 (17) SETOFF AGAINST RETAILER COMPENSATION. The department shall setoff any debt or other amount owed to the department, regardless of the origin, nature, or date of the debt or amount, against any compensation or payment owed to a lottery retailer under this chapter, whether owed by statute, rule, or contract. If, after the setoff, additional compensation or payment is due, the department shall setoff the remaining amount against all certified debts owed by the lottery retailer under ss. 71.93 and 71.935.

**SECTION 4.** 565.12 (1) (intro.) of the statutes is amended to read:

565.12 (1) (intro.) A lottery retailer contract entered into under s. 565.10 may be terminated or suspended for a specified period if the department finds that the retailer has done any of the following before or after the contract was entered into:

**SECTION 5.** 565.30 (5) of the statutes is amended to read:

565.30 (5) WITHHOLDING OF DELINQUENT STATE TAXES, CHILD SUPPORT OR DEBTS OWED THE STATE. The administrator shall report the name, address and social security number or federal income tax number of each winner of a lottery prize equal to or greater than \$600 and the name, address and social security number or federal income tax number of each person to whom a lottery prize equal to or greater than \$600 has been assigned to the department of revenue to determine whether the payee or assignee of the prize is delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78 or 139 or, if applicable, in the court-ordered payment of child

support or has a debt owing to the state under s. 71.93 or 71.935. Upon receipt of a report under this subsection, the department of revenue shall first ascertain based on certifications by the department of children and families or its designee under s. 49.855 (1) whether any person named in the report is currently delinquent in court-ordered payment of child support, and shall next certify to the administrator, whether any person named in the report is delinquent in court-ordered payment of child support or based on certifications by the department of children and families under s. 49.855 (1), is delinquent in the payment of state taxes under ch. 71, 72, 76, 77, 78 or 139, or has a debt under s. 71.93 or 71.935. Upon this certification by the department of revenue or upon court order the administrator shall withhold the certified amount and send it to the department of revenue for remittance to the appropriate agency or person. The department of revenue shall charge the winner or assignee of the lottery prize for the department of revenue's administrative expenses associated with withholding and remitting debt owed to a state agency a collection fee and may withhold the amount of the administrative expenses collection fee from the prize payment. The administrative expenses collection fee received or withheld by the department of revenue shall be credited to the appropriation under s. 20.566 (1) (h). In instances in which the payee or assignee of the prize is delinquent both in payments for state taxes and in court-ordered payments of child support, or is delinquent in one or both of these payments and has a debt owing to the state under s. 71.93 or 71.935, the amount remitted to the appropriate agency or person shall be in proportion to the prize amount as is the delinquency or debt owed by the payee or assignee setoff under s. 71.93 (3) (a).

**SECTION 9437. Effective dates; Revenue.**

(1) STATE DEBT COLLECTION; LOTTERY PAYMENTS. The treatment of ss. 71.93 (1) (d) 3. and 4., 565.10 (17), 565.12 (1) (intro.), and 565.30 (5) takes effect on the first day of the 7th month beginning after publication.

**(END)**