

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-2327/P1dn
ISR:cmh:lp

March 10, 1999

Representative Townsend:

This draft allows lottery prize winners the option of choosing to receive a lottery prize as a lump sum or in instalments. The federal tax statute uses the terms "single cash payment" and "annuity" while Wisconsin statutes use the terms "lump sum" and "instalments". I have used the terms "lump sum" and "instalments" to be consistent with the Wisconsin statutes. Is this OK?

Also, the federal law requires a person to make an election no later than 60 days after becoming entitled to the prize. This draft uses the same language to conform to the federal statute, 26 USC 451 (h). Thus, the time when a person becomes entitled to a prize under this draft will be the same as under federal law and the 60 day time period will begin at the same time.

Please review this draft carefully to make sure it reflects your intent. If you have any questions or comments, please feel free to contact me.

Ivy G. Sager-Rosenthal
Legislative Attorney
Phone: (608) 261-4455
E-mail: Ivy.Sager-Rosenthal@legis.state.wi.us