



## Ohio Revised Code

### Section 5747.062 Withholding tax from state lottery winnings.

Effective: September 30, 2025

Legislation: House Bill 96

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As used in this section:

"Transferee" has the same meaning as in section 3770.10 of the Revised Code.

"Recipient" includes a transferee.

"Lottery prize award" does not include a prize award from a video lottery terminal and does not include winnings from lottery sports gaming, except that "lottery prize award" includes winnings from lottery sports gaming wagers placed through a terminal described in division (B)(3) of section 3770.24 of the Revised Code.

(A)(1) Before making any other deduction required by Chapter 3770. of the Revised Code, the state lottery commission shall deduct and withhold an amount equal to three and one-eighth per cent for calendar year 2025, after the effective date of this amendment, and two and three-quarters per cent for calendar year 2026 and thereafter of the payment from each lottery prize award payment that is of an amount for which reporting to the internal revenue service of the amount is required by section 6041 of the Internal Revenue Code, as amended.

(2) On or before the tenth day of each month, the state lottery commission, and each transferee required to deduct and withhold amounts pursuant to section 3770.072 of the Revised Code, shall file a return and remit to the tax commissioner all amounts deducted and withheld pursuant to this section during the preceding month.

(3) On or before the thirty-first day of January of each year, the state lottery commission, and each transferee required to deduct and withhold amounts pursuant to section 3770.072 of the Revised Code, shall file with the commissioner an annual return, in the form prescribed by the tax commissioner, indicating the total amount deducted and withheld pursuant to this section or section 3770.072 of the Revised Code during the preceding calendar year. At the time of filing that return,



the state lottery commission or transferee shall remit any amount deducted and withheld during the preceding calendar year that was not previously remitted.

(4) The state lottery commission, and each transferee required to deduct and withhold amounts pursuant to section 3770.072 of the Revised Code, shall issue to each person with respect to whom tax has been deducted and withheld by the commission or transferee pursuant to this section or section 3770.072 of the Revised Code during the preceding calendar year, an information return in the form prescribed by the commissioner.

(B)(1) Division (B)(1) of this section does not apply to persons classified for federal income tax purposes as associations taxable as corporations.

Amounts withheld pursuant to this section or section 3770.072 of the Revised Code shall be allowed as a credit against payment of the tax imposed pursuant to section 5747.02 of the Revised Code upon the lottery prize award recipient, upon a beneficiary of such a recipient, or upon any investor in such a recipient if the recipient is a pass-through entity or disregarded entity, and shall be treated as taxes paid by the recipient, beneficiary, or investor for purposes of section 5747.09 of the Revised Code. The credit is available to the recipient, beneficiary, or investor even if the commission or transferee does not remit to the tax commissioner the amount withheld.

(2) Division (B)(2) of this section applies only to persons classified for federal income tax purposes as associations taxable as corporations.

Amounts withheld pursuant to this section or section 3770.072 of the Revised Code shall be treated as a credit against the tax imposed pursuant to section 5733.06 of the Revised Code for the tax year immediately following the date on which those amounts are deducted and withheld, upon the lottery prize award recipient, upon a beneficiary of such a recipient, or upon an investor in such a recipient if the recipient is a pass-through entity or disregarded entity, and shall be treated as paid by the recipient, beneficiary, or investor on the date on which those amounts are deducted and withheld. The credit is a refundable credit and shall be claimed in the order required under section 5733.98 of the Revised Code. The credit is available to the recipient, beneficiary, or investor even if the commission or transferee does not remit to the tax commissioner the amount withheld.



(3) Nothing in division (B)(1) or (2) of this section shall be construed to allow more than one person to claim the credit for any portion of each amount deducted and withheld.

(C) Failure of the commission or any transferee to deduct and withhold the required amounts from lottery prize awards or to remit amounts withheld as required by this section and section 3770.072 of the Revised Code shall not relieve a taxpayer described in division (B) of this section from liability for the tax imposed by section 5733.06 or 5747.02 of the Revised Code.