**Section 100.7036 Withholding of Lottery, Gambling and Sports Wagering Winnings (IITA Section 710)**

a) In General

1) *Any person making a payment to a resident or nonresident of winnings under the Illinois Lottery Law and not required to withhold Illinois income tax from the payment under* IITA Section 701(b) *because those winnings are not subject to federal income tax withholding must withhold Illinois income tax from that payment at a rate equal to the percentage tax rate for individuals provided in* IITA Section 201(b)*, provided that withhold is not required if the payment of winnings is less than $1,000.* (IITA Section 710(a)(1))

2) *In the case of an assignment of a lottery prize under Section 13.1 of the Illinois Lottery Law* [20 ILCS 1605]*, any person making a payment of the purchase price after December 31, 2013 shall withhold from the amount of each payment at a rate equal to the percentage tax rate for individuals provided in IITA Section 201(b).* (IITA Section 710(a)(2))

3) *Any person making a payment after December 31, 2019 to a resident or nonresident of winnings from pari-mutual wagering conducted at a wagering facility licensed under the Illinois Horse Racing Act of 1975* [230 ILCS 5] *or from gambling games conducted on a riverboat or in a casino or organization gaming facility licensed under the Illinois Gambling Act* [230 ILCS 10] *must withhold Illinois income tax from the payment at a rate equal to the percentage tax rate for individuals provided in* IITA Section 201(b)*, provided that the person making the payment is required to withhold under 26 U.S.C. 3402(q).* (IITA Section 710(a)(3)) For more specific information, and precise details regarding actual federal withholding requirements, see 26 U.S.C. 3402(q) and the instructions for U.S. Form 5754 available from the Internal Revenue Service.

4) *Any person making a payment after December 31, 2021 to a resident or nonresident of winnings from sports wagering conducted in accordance with the Sports Wagering Act* [230 ILCS 45] *must withhold Illinois income tax from such payment at a rate equal to the percentage tax rate for individuals provided in subsection (b) of Section 201, provided that the person making the payment is required to withhold under Section 3402(q) of the Internal Revenue Code.* (IITA Section 710 (a)(4)). For more specific information, and precise details regarding actual federal withholding requirements, see 26 U.S.C. 3402(q) and the instructions for U.S. Form 5754 available from the Internal Revenue Service.

(Source: Amended at 47 Ill. Reg. 13669, effective September 11, 2023)