

How are Lottery winnings taxed?

All Lottery prizes, regardless of the amount, generally are considered as income by the state and federal government.

For Traditional products (Scratch-itsSM and Draw games), the Oregon Lottery[®] is required to report all Traditional product prizes of \$600 or more to the Internal Revenue Service, and the Oregon Department of Revenue. For prizes over \$5,000, the Lottery is required to withhold 25% for federal taxes, and 8% for state income taxes.

For Video LotterySM Platinum Series (PS) jackpot prizes, the Oregon Lottery is required to report all Video LotterySM PS jackpot prizes of \$1200 or more to the Internal Revenue Service. The Oregon Lottery is required to report all Video LotterySM PS jackpot prizes over \$600 to the Oregon Department of Revenue. For prizes over \$5,000, the Lottery is required to withhold 8% for state income taxes.

For promotional prizes, the Oregon Lottery is required to report to the Internal Revenue Service the value of all promotional prizes (not associated with a wager) awarded by the Lottery to an individual during a calendar year, if the total value of the promotional prizes awarded to the individual is \$600 or more.

The actual tax liability of winners will depend on their overall financial situation, and when they file their taxes at the end of the year, they could owe more or less than the actual amount withheld. You may wish to consult a tax advisor if you have further questions.

LINK: <http://www.oregonlottery.org/About/FAQ/>