

HOUSE REPUBLICAN STAFF ANALYSIS

Bill:	Senate File 605	House Committee:	PASSED on 2/25/25 (24-0)
Committee:	Ways & Means	House Floor:	PASSED on 3/19/25 (96-0)
Floor Manager:	Rep. Sexton	Senate Floor:	PASSED on 3/18/25 (48-0)
Date:	Final	Governor:	SIGNED on 3/28/25
Staff:	Kristi Kious (2-5290)		

Department of Revenue—Withholdings on Winnings from Sports Wagering

- Makes clear that all winnings from sports wagering are subject to state and federal income tax laws.

Section by Section Analysis

Section 1 – Tax on winnings (99F.18)

This section clarifies that all winnings from sports wagering are subject to state and federal income tax laws.

Section 2 – Withholding of income tax at source — penalties — interest — declaration of estimated tax — bond (422.16)

This section requires that state income tax be withheld from winnings from sports wagering whenever federal income tax is required to be withheld from the same winnings in accordance with federal IRC.

Section 3 – Effective date

This section provides that the bill takes effect January 1, 2026.