

**99B.21 Tax on prizes.**

All prizes awarded are Iowa earned income and are subject to state and federal income tax laws. A person conducting a game of skill, game of chance, or a raffle shall deduct state income taxes, pursuant to section 422.16, subsection 1, from a cash prize awarded to an individual. An amount deducted from the prize for payment of a state tax shall be remitted to the department of revenue on behalf of the prize winner.

86 Acts, ch 1201, §12; 92 Acts, 2nd Ex, ch 1001, § 232; 2003 Acts, ch 145, §286