



**STATE OF IOWA**  
KIM REYNOLDS  
GOVERNOR

March 28, 2025

The Honorable Paul Pate  
Secretary of State of Iowa  
State Capitol  
Des Moines, Iowa 50319

Dear Mr. Secretary,

I hereby transmit:

Senate File 605, an Act relating to state income tax withholdings on winnings from sports wagering, and including effective date provisions.

The above Senate File is hereby approved on this date.

Sincerely,

Kim Reynolds  
Governor of Iowa

cc: Secretary of the Senate  
Clerk of the House



Senate File 605

AN ACT

RELATING TO STATE INCOME TAX WITHHOLDINGS ON WINNINGS FROM  
SPORTS WAGERING, AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 99F.18, Code 2025, is amended to read as follows:

**99F.18 Tax on winnings.**

1. All winnings derived from slot machines operated pursuant to this chapter are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from winnings for payment of the state tax, pursuant to section 422.16, subsection 2, shall be remitted to the department of revenue on behalf of the winner.

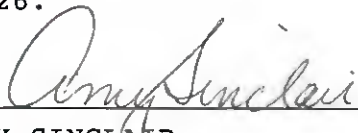
2. All winnings from sports wagering authorized under this chapter are Iowa earned income and are subject to state and federal income tax laws. An amount deducted from winnings for payment of state tax pursuant to section 422.16, subsection 2, shall be remitted to the department of revenue on behalf of the winner.

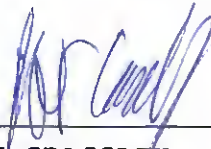
Sec. 2. Section 422.16, subsection 2, paragraph d, Code 2025, is amended to read as follows:

*d.* For the purposes of this subsection, state income tax shall be withheld on winnings in excess of six hundred dollars derived from gambling activities authorized under chapter 99B or 99G. State income tax shall be withheld on winnings in excess of one thousand dollars from gambling activities

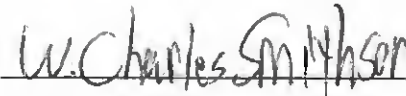
authorized under chapter 99D. State income tax shall be withheld on winnings in excess of one thousand two hundred dollars derived from slot machines authorized under chapter 99F. State income tax shall be withheld on winnings from sports wagering authorized under chapter 99F whenever federal income tax is required to be withheld from the same winnings in accordance with the Internal Revenue Code.

Sec. 3. EFFECTIVE DATE. This Act takes effect January 1, 2026.

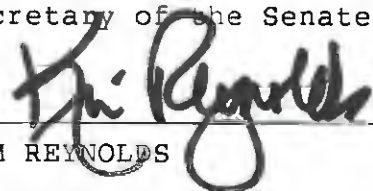
  
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AMY SINCLAIR  
President of the Senate

  
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PAT GRASSLEY  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 605, Ninety-first General Assembly.

  
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W. CHARLES SMITHSON  
Secretary of the Senate

Approved , 2025

  
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KIM REYNOLDS  
Governor