

**House File 794 - Introduced**

HOUSE FILE 794  
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HSB 91)

**A BILL FOR**

1 An Act relating to state income tax withholdings on winnings from  
2 sports wagering, and including effective date provisions.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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

3 **99F.18 Tax on winnings.**

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

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

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

18 d. For the purposes of this subsection, state income tax  
19 shall be withheld on winnings in excess of six hundred dollars  
20 derived from gambling activities authorized under chapter 99B or  
21 99G. State income tax shall be withheld on winnings in excess of  
22 one thousand dollars from gambling activities authorized under  
23 chapter 99D. State income tax shall be withheld on winnings  
24 in excess of one thousand two hundred dollars derived from  
25 slot machines authorized under chapter 99F. State income tax  
26 shall be withheld on winnings from sports wagering authorized  
27 under chapter 99F whenever federal income tax is required to be  
28 withheld from the same winnings in accordance with the Internal  
29 Revenue Code.

30 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,  
31 2026.

32 EXPLANATION

33 The inclusion of this explanation does not constitute agreement with  
34 the explanation's substance by the members of the general assembly.

35 This bill specifies all winnings from sports wagering are

1 considered Iowa earned income and subject to Iowa and federal  
2 income tax laws. If sports wagering winnings are subject to  
3 federal income tax withholding, the bill requires Iowa state  
4 income tax be withheld from the winnings.

5 The bill takes effect on January 1, 2026.

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