

**House Study Bill 733 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON WAYS  
AND MEANS BILL BY CHAIRPERSON  
NORDMAN)

**A BILL FOR**

1 An Act modifying state income tax withholdings for winnings  
2 derived from slot machines, and including effective date  
3 provisions.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 422.16, subsection 2, paragraph d, Code  
2 2026, is amended to read as follows:

3 d. For the purposes of this subsection, state income tax  
4 shall be withheld on winnings in excess of six hundred dollars  
5 derived from gambling activities authorized under chapter 99B or  
6 99G. State income tax shall be withheld on winnings in excess of  
7 one thousand dollars from gambling activities authorized under  
8 chapter 99D. State income tax shall be withheld on winnings  
9 ~~in excess of one thousand two hundred dollars~~ derived from  
10 slot machines authorized under chapter 99F if the winnings are  
11 required to be reported on an information return for federal  
12 purposes. State income tax shall be withheld on winnings from  
13 sports wagering authorized under chapter 99F whenever federal  
14 income tax is required to be withheld from the same winnings in  
15 accordance with the Internal Revenue Code.

16 Sec. 2. EFFECTIVE DATE. This Act, being deemed of immediate  
17 importance, takes effect upon enactment.

18 EXPLANATION

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

21 This bill modifies state income tax withholdings for winnings  
22 derived from slot machines.

23 Currently, state income tax is required to be withheld from  
24 winnings derived from a slot machine in excess of \$1,200. The  
25 bill strikes the \$1,200 threshold requirement, and requires state  
26 income tax withholdings only if the slot machine winnings are  
27 required to be reported on an information return for federal  
28 purposes. An information return is generally a return that sends  
29 information to the federal Internal Revenue Service that reports  
30 specific transactions but does not calculate the amount of tax  
31 owed.

32 The bill takes effect upon enactment.