**Section 2510.25 Forms W-2G and 5754**

a) Internal Revenue Code Section 3402(q)(6) requires certain tax reporting statements from winners of State Lotteries subject to tax withholding as described in I.R.R. 31.3402(q)(1), I.R.R. 31.3402(q)(1)(b) and Ill. Rev. Stat. 1983, ch. 12, par. 7-710(a). This Section specifies procedures to be followed by State agencies in initiating payments to such Lottery winners.

b) The State Lottery Division is to be the sole receiving point for Lottery winners' Forms W-2G (in the case of a sole recipient) or Forms 5754 (in the event that persons other than the recipient are entitled to all or a portion of the winnings). Form W-2G or Form 5754 must be obtained from the recipient of winnings before any payment is made; i.e., before any payment voucher is transmitted to the Comptroller's Office.

c) The State Lottery must include on the payment voucher the relevant tax withholding information for each person entitled to a portion of the lottery winnings. This would consist of the name, address, Social Security or Federal Employee Identification (FEIN), date, amount of payment, amount withheld and type of wager. This information must be provided on the face of the payment voucher; merely attaching a duplicate W-2G or Form 5754 to the voucher will not be sufficient.

d) Pursuant to I.R.R. Section 31.6001-1(e)(2), 26 U.S.C.A. Section 6001, 26 U.S.C.A. Section 3403, 26 U.S.C.A. Section 3402 and I.R.R. Section 31-3402(q)-1, the State Lottery Division will be solely responsible for maintaining the Lottery winners' Forms W-2G and Forms 5754.

(Source: Added at 9 Ill. Reg. 19376, effective December 4, 1985)