

AMENDED IN SENATE APRIL 26, 2000  
AMENDED IN SENATE MARCH 30, 2000

**SENATE BILL**

**No. 2173**

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**Introduced by Committee on Revenue and Taxation  
(Senators Chesbro (Chair), Alpert, Burton, Johnston, and  
McPherson)**

February 25, 2000

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An act to amend Section 8880.68 of the Government Code,  
relating to taxation, ~~to take effect immediately, tax levy.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 2173, as amended, Committee on Revenue and  
Taxation. Taxation: lottery prizes.

Existing law provides that no state or local taxes shall be  
imposed upon any prize awarded by the lottery.

This bill would ~~also provide~~ *clarify* that no state or local taxes  
shall be imposed upon any amount received by a prizewinner  
pursuant to an assignment, as specified. *This bill would make  
a specified declaration that certain changes made by the bill  
do not constitute a change in, but are declaratory of, existing  
law.*

~~This bill would take effect immediately as a tax levy.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~yes~~ *no*.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 8880.68 of the Government  
2 Code is amended to read:

3 8880.68. Except as provided in subdivision (d), no  
4 state or local taxes shall be imposed upon the following:

5 (a) The sale of lottery tickets or shares of the lottery.

6 (b) Any prize awarded by the lottery.

7 (c) Any amount received by a prizewinner pursuant  
8 to an assignment under Section 8880.325.

9 (d) This section does not prohibit the imposition of  
10 property taxes or license fees for any noncash prize that  
11 is awarded by the lottery.

12 ~~SEC. 2. This act provides for a tax levy within the~~  
13 ~~meaning of Article IV of the Constitution and shall go into~~  
14 ~~immediate effect.~~

15 *SEC. 2. The Legislature finds and declares that the*  
16 *amendments made to Section 8880.68 of the Government*  
17 *Code by this act are consistent with the intent of the*  
18 *amendments made to Section 8880.32 of the Government*  
19 *Code by Chapter 890 of the Statutes of 1994 and the intent*  
20 *of the amendments adding Sections 8880.325, 8880.326,*  
21 *and 8880.327 to, and repealing Section 8880.32 of, the*  
22 *Government Code made by Chapter 363 of the Statutes*  
23 *of 1995, and do not constitute a change in, but are*  
24 *declaratory of, existing law.*

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