Quick Facts: Intercepting Gambling Winnings

This Quick Facts guide provides information about how states have implemented laws to intercept gambling winnings for payment of child support.

The Child Support Program\(^1\) is a successful federal-state partnership and a key component in promoting economic stability for families. Many states now have state sanctioned casinos and pari-mutual betting on horse or dog races. Federal legislation requiring gambling intercepts would increase support to families who depend on child support to remain self-sufficient.

Many states have enacted legislation requiring casinos and horse/dog tracks prior to payout to check a registry provided by the child support enforcement office to ensure that the winner does not owe child support arrears. Often states use a trigger of the requirement to file an IRS W2G form. If it is found that the person does owe past due child support, the amount of the jackpot up to the amount of past due child support is withheld and sent to the child support agency. In some states casinos and racetracks withhold a small amount of winnings to offset their cost to conduct the intercept.

Some examples:

- Arizona: Collections 2015 – November 2017 = $208,000.00
- Colorado, $3,874,981.00 intercepted July 2008 through December 2017
- Illinois: $1,415,287.27 collected from 653 intercepts from 465 obligors.
- New Mexico law does not have a registry but rather provides a list of delinquent obligors monthly and requires that the winner sign a “verification” of winnings. Total collection from 2009 – 2016 = $371,187.12
- Iowa: Collected approximately $70,000 per month from January – October 2017.
- Indiana, $4.6 million from July 2010 to December 2017 in collections. Recent Indiana legislation enables the interception of fantasy sports winnings for child support arrears. While fantasy sports is considered a game of skill, game operators (e.g., DraftKings, FanDuel) are required to withhold winnings up to the child support arrears amount from fantasy sports players, much like casinos do.
- North Dakota: 2015 to November 2017 total collections = $17,664.49.
- Louisiana: 20 casinos statewide, Collection through December 2016 = $4,455,437.55 from 3,311 intercepts
- Maine: Collections 2013 through November 2017 = $326,052.00
- North Carolina: Collections 2008 through November 2017 = $1,139,456.12
- New Jersey: Slot winnings only – 2016 Collections = $85,280.58 - 2017 Collections as of November 22, 2017 = $91,605.60

\(^1\) Created by Title IV-D of the Social Security Act
Many other states have either pending legislation or study groups. Congress could require all casinos and racetracks that have pari-mutual betting to intercept winnings based on the IRS W2G filing thresholds.