



MICHIGAN LOTTERY
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LANSING, MI 48909
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www.michiganlottery.com

STARTING A LOTTERY CLUB

If two or more people want to file a joint claim for a lottery prize, they first must establish a “lottery club”. To establish a “lottery club” it is recommended that each club create a set of by-laws and appoint a club representative. Otherwise, the Bureau of State Lottery can only accept a claim in the name and taxpayer identification number of one person.

When the club wins a lottery prize of greater than \$600, the club will be required to notify the Bureau of State Lottery of all of the individuals receiving a portion of the winnings. This is done by submitting a completed Substitute 5754 Form prior to prize payment. This form requests the name, address, date of birth, phone number, signature and Social Security number for each club member and will be used by the Lottery to issue payments to each club member.

In accordance with 1994 PA 11, MCSL 432.32, as amended, before payment of a cash prize of \$1,000 or more, the bureau is obligated to determine if the Michigan Department of Treasury knows of any liability of any of the lottery club winners to the State of Michigan. If a liability is identified for an individual, the bureau first shall apply the amount of the individual's portion of the prize to the liability, and the excess, if any, shall be paid to the individual winner.

At time of prize payment, the club members each will receive a W-2G form showing their portion of the prize and income tax withholding, if any. Each member should use the W-2G form to complete their tax return for the year in which the prize was paid by the Bureau.

Lottery prizes are subject to federal, state and local income taxes. For more information about federal income taxation and club reporting responsibilities, contact the IRS at (800) 829-1040. For state tax information, contact the Michigan Department of Treasury at (517) 636-4486. For questions regarding local income taxation, contact the local taxing authority.