

§900 WITHHOLDING TAXES AND REPORTING REQUIREMENTS FOR GAMBLING WINNINGS

The Internal Revenue Service has established very specific record keeping and reporting regulations with which tax-exempt organizations must comply regarding Casino Nights, Raffles, and Bingo. The penalties for failure to comply with these regulations are severe. These policies and procedures apply to all parishes, schools, and agencies of the Archdiocese of Chicago engaged in this type of fundraising.

§901 WITHHOLDING REQUIREMENTS

901.1. Policy Any parish, school or agency making a payment of winnings subject to withholding tax shall deduct and withhold taxes from the payment.

Procedure

Parishes, schools and agencies should refer to the Pastor's Reference Manual for procedures regarding withholding requirements.

§902 REPORTING REQUIREMENTS

902.1. Policy Any parish, school or agency making a payment of winnings subject to reporting requirements shall prepare and file the necessary reports with the federal government and provide the recipient of the winnings with the necessary income reporting form.

Procedures

Parishes, schools and agencies should refer to the Pastor's Reference Manual for procedures regarding filing and reporting requirements.

Note

Any organization required to collect and remit any tax shall be liable for a penalty equal to the amount of the tax evaded, not collected, or not accounted for and remitted.

There are also penalties for failure to file information returns (1099 Miscellaneous), failure to furnish the winner's signed declaration (W-2G), and submitting incorrect or incomplete information.