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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 Program¹ is a successful federal-state-tribal partnership that seeks to promote economic stability for children whose parents live apart. The program collects \$4.37 for every \$1 in public funds invested. In FY 2023, \$31 billion was collected in 12 million cases for 12.7 million children.²

Federal legislation requiring the intercept of gambling winnings of parents who owe past due support can increase collections for families who depend on child support to remain self-sufficient. All but 3 states authorize some form of legalized gambling. Most have enacted legislation that requires casinos and racetracks to check an information registry provided by the state's child support agency to ensure that the winner does not owe past due child support prior to payout and to intercept the winnings up to the amount of support owed. However, states vary as to what types of gambling require a check for past due child support.

All 46 states and the District of Columbia that operate state lotteries require gaming establishments to check to see if winners owe past due support and, if so, intercept the winnings to pay the support. There are 43 states that allow casinos but only 16 states (37%) require casinos to check for past due child support. Since the U.S. Supreme Court ruled the federal ban on sports betting unconstitutional in 2018,³ the legalization of sports betting has exploded. There are now 36 states and the District of Columbia that allow sports betting yet only 13 states and the District of Columbia (38%) require sports betting operators to check for past due support.

To make the process as seamless as possible, states generally use a trigger of the requirement to issue an Internal Revenue Service (IRS) W-2G form to a winner as the same trigger for casinos and sports betting operators to check for past due support. If the winner owes past due child support, the casino or sports operator must withhold the amount of past due child support and send it to the child support agency. Some states allow casinos and sports betting operators to withhold a small amount to offset their costs to conduct the intercept.

To increase child support collections nationwide, Congress should require all casinos, sports betting operators and any other gambling operations to intercept winnings based on the IRS

¹ Created by Title IV-D of the Social Security Act.

² Office of Child Support Services (OCSS) FY 2023 Preliminary Report

³ *Murphy v. National Collegiate Athletic Association*, 580 U.S. 1382 (2018)





W2-G filing thresholds. This would reinforce prioritizes paying child support over gambling.

