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### **Savvy 24 Year Old's \$66 Million Mega Lottery Win--On Friday The 13th**

A Michigan 24-year-old has turned in a winning \$66 million lottery ticket. Ms. Kelsey Zachow bought the ticket on Friday the 13th but wasn't aware she had won until 11 days later. You could say Friday the 13th was her lucky day. Now, she's said how she plans to spend her winnings, the largest ever won by a Michigan lottery player on a Friday the 13th.

'Friday the 13th has always been a really lucky day for me,' she said. 'I went home that night and I'm like nothing really good happened. (I thought) that's weird.' But now she, her 7-month-old son, and her boyfriend seem set. All those years of buying lottery tickets paid off.

Ms. Zachow has been buying lottery tickets two times a week for the past five years, spending an estimated \$10,000 on tickets. On Friday June 13th, she bought four tickets and one easy pick. It was 11 days later, on June 24 that she checked her numbers and learned she'd won big.



You have to hand it to her for her savvy and self-control. She was composed enough to consult with a lawyer and financial consultant before going to the Michigan Lottery office to claim her winnings. Ms. Zachow elected to take a lump sum rather than periodic payments, so her take is about \$27 million after taxes.

‘I wanted to be smart with it. I’ve been playing for five years so I kinda had a plan if I ever did win,’ she said. “You watch those (TV) shows. People go bankrupt and lose it all. So, financial adviser, lawyer, taxes – just getting everything straight beforehand. We have our ducks in a row and now we can have fun.’

Sure she’ll spend, including some planned new car purchases and even a dream house. And surely some overseas vacations too. Yet she clearly is planning and seems unusually savvy about the dangers that befall some lottery winners. Amid all the hype and excitement, many winners—and others who strike it big in a lawsuit, inheritance or other windfall—seem to forget that winnings are taxable.

And taxes can sure pare your total down to size. A few winners have even elected to give all the money to charity, but that would eliminate all taxes, right? Not necessarily.

You can decline a prize and avoid all taxes. But if you *accept* it and *then* donate it to charity, you still pay tax. Talk about a whipsaw. The tax rules aren't parallel so you end up paying tax on money you gave away.

It works like this. When you make a donation to charity, you can only deduct charitable contributions up to 50% of your "contribution base"—generally your adjusted gross income. If you win \$1 million and have no other income, you can deduct only half even if you give it all away.

The limit is even lower (30%) for gifts to some types of charities, including certain private foundations. You can carry over excess deductions from one year to the next, and you have five years to use it up. In the meantime, though, you are paying tax on money you've given away. You also may lose other deductions and personal exemptions.

Taxes are complex, and they are one reason lottery winners can easily get into trouble. Family members looking for a handout can be another, as can "partners" who claim a share of the lottery winnings. Then add in our terribly complex and not very forgiving tax law. Many well-meaning people get tripped up.

In contrast to the U.S. where just about everything is taxed, how about a neighbors to the north? Turns out that in Canada, [lottery winnings](#) aren't counted as taxable. Sometimes the grass does look greener up there, doesn't it?

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