STATE OF WISCONSIN
Legislative Audit Bureau
Report 25-09 • May 2025
SUMMARY
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Wisconsin Lottery
Fiscal Year 2023-24

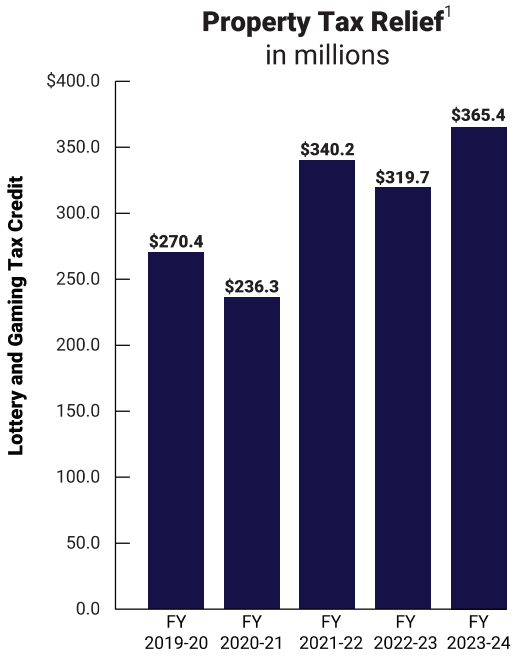
The Wisconsin Lottery sells instant tickets and lotto tickets, and participates in the multijurisdictional Powerball and Mega Millions lotto games. The Wisconsin Constitution and Wisconsin Statutes impose certain limitations on lottery expenses. The Wisconsin Constitution also requires that net proceeds from the Wisconsin Lottery be used exclusively for property tax relief for Wisconsin residents. Net proceeds from the Wisconsin Lottery are largely distributed to owners of primary residences in Wisconsin through the Lottery and Gaming Tax Credit.

We provided unmodified opinions on the Wisconsin Lottery's financial statements as of and for the years ended June 30, 2024, and June 30, 2023. These financial statements account for the financial position and activity of the Wisconsin Lottery, which is administered by the Department of Revenue. We conducted this financial audit by auditing the Wisconsin Lottery's financial statements in accordance with applicable government auditing standards, issuing our auditor's opinion, reviewing internal controls, and issuing our auditor's report on internal control and compliance. We also assessed the Wisconsin Lottery's compliance with certain statutory requirements.

Since its inception, the Wisconsin Lottery has provided $6.1 billion in property tax relief, including $365.4 million distributed in FY 2023-24

The Wisconsin Lottery was provided with general purpose revenue (GPR) of $88.7 million in fiscal year (FY) 2023-24 for retailer compensation expenses and vendor fees. The provision of GPR funding increased net lottery proceeds available for the Lottery and Gaming Tax Credit. The actual amount distributed for the Lottery and Gaming Tax Credit increased from $319.7 million in FY 2022-23 to $365.4 million in FY 2023-24, or by 14.3 percent, primarily due to higher than anticipated ticket sales during FY 2022-23 and GPR funding.

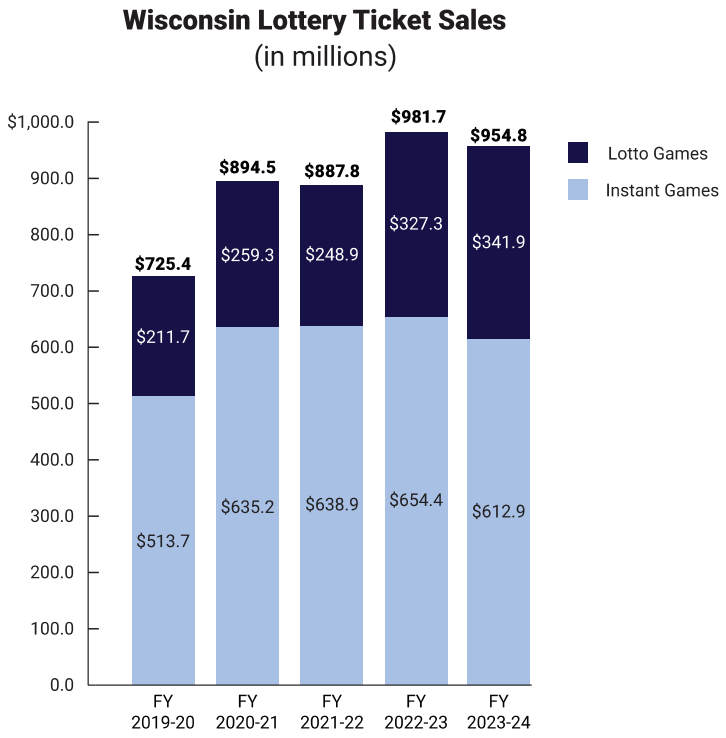
In October 2024, the Wisconsin Department of Administration and the Legislature's Joint Committee on Finance authorized the use of $318.0 million in net lottery proceeds for the FY 2024-25 Lottery and Gaming Tax Credit.



[1] Property tax relief is funded by net proceeds from the Wisconsin Lottery and by transfers from other gaming-related appropriations, including racing operations.

Wisconsin Lottery ticket sales decreased from $981.7 million in FY 2022-23 to $954.8 million in FY 2023-24, or by 2.7 percent

Sales of instant tickets, which are scratch-off and pull-tab tickets, decreased by $41.5 million, or by 6.3 percent, from FY 2022-23 to FY 2023-24. Sales of lotto tickets, which are tickets for lotto games, including Mega Millions, Powerball, Badger 4, Fast Play, Daily Pick 3, and Daily Pick 4, increased by $14.6 million, or by 4.5 percent, primarily due to increased Powerball and Fast Play ticket sales in FY 2023-24 as compared to FY 2022-23.



The Wisconsin Lottery was in compliance with the statutory requirements we reviewed for FY 2023-24

Wisconsin Statutes impose limitations on certain types of lottery expenses, including requirements that:

- at least 50 percent of lottery ticket sales must be used as prize payments to players;
- certain administrative expenses may not exceed 10 percent of gross lottery revenues; and
- payments to retailers for performance incentives may not exceed 1.0 percent of gross revenues from the sale of lottery tickets.

Compliance with Statutory Requirements

	Complied with Requirement from FY 2019-20 through FY 2023-24
At least 50 percent of lottery ticket sales must be used as prize payments to players.	✓
Certain administrative expenses may not exceed 10 percent of gross lottery revenues.	✓
Payments to retailers for performance incentives may not exceed 1.0 percent of gross revenues from the sale of lottery tickets.	✓