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Oprah car winners hit with hefty tax

Like any prize, the value is counted as income; winners must pay up to \$7,000 or forfeit the car.

September 22, 2004: 7:05 PM EDT

NEW YORK (CNN/Money) - Leave it to Uncle Sam to spoil the party.

When Oprah Winfrey [gave away](#) 276 cars last week to the audience of her show, images of people laughing, jumping, crying -- some hysterically -- filled the airwaves and the give-away became stuff of legend. Late night talk show hosts and newspaper columnists are still talking about it.



But now some of those eager prize-winners have a choice: Fork over \$7,000 or give up the car.

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According to a spokeswoman for Harpo Productions Inc., Oprah's company, the recipients must pay a tax on the winnings, just like any prize.

For a brand new Pontiac G-Six, the model given away on the show, the sticker price is \$28,500. The \$28,500 would need to be claimed as income so, depending on the individuals tax bracket, the tax could be as high as \$7,000. And that was after Pontiac agreed to pay most of the local charges, including state sales tax and licensing fees.

The Harpo Spokeswomen said winners had three choices. They could keep the car and pay the



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tax, sell the car and pay the tax with the profits or forfeit the car.



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