



IRS Summertime Tax Tip 2016-26: Five Tax Tips for Gambling Income and Losses

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Five Tax Tips for Gambling Income and Losses

Report any gambling winnings as income on your tax return. Be sure you itemize to deduct gambling losses up to the amount of your winnings. If you are a casual gambler, these tax tips can help:

- Gambling income.** Income from gambling includes winnings from the lottery, horse racing and casinos. It also includes cash and non-cash prizes. You must report the fair market value of non-cash prizes like cars and trips.
- Payer tax form.** If you win, the payer may give you a [Form W-2G](#), Certain Gambling Winnings. The payer also sends a copy of the W-2G to the IRS. The payer must issue the form based on the type of gambling, the amount you win and other factors. You'll also get a form W-2G if the payer must withhold income tax from what you win.
- How to report winnings.** You normally report your winnings for the year on your tax return as "Other Income." You must report all your gambling winnings as income. This is true even if you don't get a Form W-2G.

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4. **How to deduct losses.** You can deduct your gambling losses on [Schedule A](#), Itemized Deductions. The total you can deduct, however, is limited to the amount of the gambling income you report on your return.
5. **Keep gambling receipts.** Keep records of your wins and losses. This means keeping items such as a gambling log or diary, receipts, statements or tickets.

See [Publication 525](#), Taxable and Nontaxable Income for rules on this topic. Refer to [Publication 529](#), Miscellaneous Deductions for more on losses. It also lists some of the types of records you should keep. You can download and view both on [IRS.gov/forms](#) at any time.

[IRS Tax Tips](#) provide valuable information throughout the year. IRS.gov offers tax help and info on various topics including common [tax scams](#), [taxpayer rights](#) and more.

Additional IRS Resources:

- [Tax Topic 419](#), Gambling Income and Expenses

IRS YouTube Videos:

- Gambling Winnings and Losses – [English](#) | [Spanish](#) | [ASL](#)

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