

Helpful Tips to Know About Gambling Winnings and Losses

Taxpayers must report all gambling winnings as income. They must be able to itemize deductions to claim any gambling losses on their tax return.

Taxpayers who gamble may find these tax tips helpful:

1. **Gambling income.** Income from gambling includes winnings from the lottery, horseracing and casinos. It also includes cash and non-cash prizes. Taxpayers must report the fair market value of non-cash prizes like cars and trips to the IRS.
2. **Payer tax form.** The payer may issue a [Form W-2G](#), Certain Gambling Winnings, to winning taxpayers based on the type of gambling, the amount they win and other factors. The payer also sends a copy of the form to the IRS. Taxpayers should also get a Form W-2G if the payer withholds income tax from their winnings.
3. **How to report winnings.** Taxpayers must report all gambling winnings as income. They normally should report all gambling winnings for the year on their tax return as "Other Income." This is true even if the taxpayer doesn't get a Form W-2G.
4. **How to deduct losses.** Taxpayers are able to deduct gambling losses on [Schedule A](#), Itemized Deductions, but keep in mind, they can't deduct gambling losses that are more than their winnings.
5. **Keep gambling receipts.** Keep records of gambling wins and losses. This means gambling receipts, statements and tickets or by using a gambling log or diary.

See [Publication 525](#), Taxable and Nontaxable Income, for rules on gambling and [Publication 529](#), Miscellaneous Deductions, for more information on losses. Publication 529 also lists specific types of gambling records a taxpayer may want to keep. Download and view IRS publications on [IRS.gov/forms](https://www.irs.gov/forms) at any time.

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