

## Sample article for organizations to use to reach customers (word count 349)

*Customize and provide the following article in your communication vehicles for your audience.*

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### Know the five important tips on gambling income and losses

It's a common misconception that unless you receive a Form W-2G, Certain Gambling Winnings, from a casino, your gambling winnings don't have to be reported at the end of the year on your federal tax return. However, like other income, gambling winnings must be reported on your federal tax return, regardless of whether or not documentation was provided at the time it was earned (or won). Fortunately, there are ways to offset your gambling winnings with any losses that you may have incurred up to the amount of your winnings. Below are five tips that anyone who gambles should know:

1. Gambling income includes, but is not limited to, winnings from lotteries, raffles, horse races and casinos. It includes cash winnings and the fair market value of prizes, such as cars and trips.
2. If you receive a certain amount of gambling winnings or if you have any winnings that are subject to federal tax withholding, the payer is required to issue you a Form W-2G.
3. Generally, you report all gambling winnings on the "Other income" line (line 21) of Form 1040, U.S. Federal Income Tax Return.
4. If you itemize, you can claim your gambling losses up to the amount of your winnings on Schedule A, Itemized Deductions, under "Other Miscellaneous Deductions." You cannot reduce your gambling winnings by your gambling losses and report the difference. You must report the full amount of your winnings as income and claim your allowable losses separately. Your records should also show your winnings separately from your losses.
5. Keep accurate records. If you are going to deduct gambling losses, you must have receipts, tickets, statements and documentation, such as a diary or similar record of your losses and winnings. Refer to [IRS Publication 529](#), Miscellaneous Deductions, for more details about the type of information you should write in your diary and what kinds of proof you should retain in your records.

For more information on gambling income and losses, see [IRS Publication 529](#), Miscellaneous Deductions, or [Publication 525](#), Taxable and Nontaxable Income, both available at [IRS.gov](#), or call 800-TAX-FORM (800-829-3676).

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**NOTE TO EDITOR: Below are links on IRS.gov to more information on gambling winnings and losses:**

#### IRS.gov

- [Do I Need To Claim My Gambling Winnings and Can I Deduct My Gambling Losses?](#)
- [Topic 419 - Gambling Income and Losses](#)

#### YouTube

[Gambling Winnings and Losses](#)