

## Sample article for organizations to use to reach customers (423 word count)

*Post the following article on your websites and/or use in other communication vehicles to help your customers understand how to report their gambling income and losses.*

---

### Five important tips on gambling income and losses

It's a common misconception that unless you receive a [Form W-2G, Certain Gambling Winnings](#), at a casino, your gambling winnings don't have to be reported at the end of the year on your federal tax return. However, like any other income, regardless of whether or not documentation was provided at the time it was earned (or won), all income must be reported on your federal tax return. Fortunately, you can offset your gambling winnings with any losses that you may have incurred up to the amount of your winnings. Below are five tips that every taxpayer 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 subject to federal tax withholding, the payer is required to issue you Form W-2G.
3. Generally, you report all gambling winnings on the "other income" line of [Form 1040, U.S. Individual Income Tax Return](#).
4. You can claim your gambling losses up to the amount of your winnings on [Schedule A \(Form 1040\), Itemized Deductions](#), under "Other Miscellaneous Deductions." You must report the full amount of your winnings as income and claim your allowable losses separately. You cannot reduce your gambling winnings by your gambling losses and report the difference. Your records should also show your winnings separately from your losses.
5. You should 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 [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, read [Publication 525, Taxable and Nontaxable Income](#), and visit [IRS.gov](#).

---

**NOTE TO EDITOR:** Below are links to help taxpayers find the information they need.

**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](#)