



DEPARTMENT OF THE TREASURY  
INTERNAL REVENUE SERVICE  
WASHINGTON, D.C. 20224

OFFICE OF  
CHIEF COUNSEL

May 10, 2010

Number: **INFO 2010-0140**  
Release Date: 6/25/2010

CONEX- 116734-10

UIL: 61.00-00, 74.00-00

The Honorable Harry Teague  
Member, U.S. House of Representatives  
3445 Lambros Loop NE  
Los Lunas, NM 87031

Attention:

Dear Congressman Teague:

I am responding to your inquiry, dated April 1, 2010, on behalf of your constituent, . asks whether he must pay taxes on a sport utility vehicle that he won in , where he resides.

Under federal tax law, gross income means all income from whatever source derived, and includes prizes, awards, and gambling winnings (sections 61 and 74 of the Internal Revenue Code (Code)). Congress has not excluded from income amounts received as prizes, awards, or gambling winnings on an American Indian reservation by a resident of the reservation. Also, Native Americans generally must compute gross income, and are subject to federal income tax, in the same manner as other citizens.

Therefore, must include in gross income the excess of the fair market value of sport utility vehicle over the amount he spent (if any) in making the wager for the vehicle. For example, if bought a \$100 raffle ticket for the chance to win a sport utility vehicle worth \$10,000 and then wins the vehicle, would include \$9,900 in gross income.

CONEX-116734-10

2

I hope this information is helpful. If you have additional questions, please contact me or  
at .

Sincerely,

Michael J. Montemurro  
Chief, Branch 4  
Office of Associate Chief Counsel  
(Income Tax & Accounting)