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Money won at casino, racino must be reported on income taxes

By Alan Johnson, The Columbus Dispatch

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Less-known is that some gambling losses are tax-deductible.

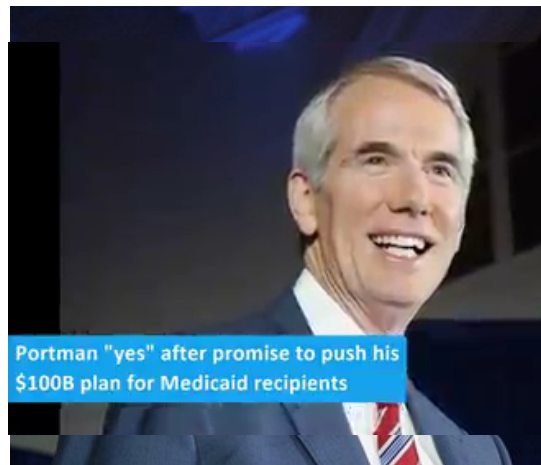
Officials of the Ohio Casino Control Commission report receiving numerous calls in recent weeks about gambling and taxes heading toward the tax-filing deadline on Monday.

Likewise, business has picked up for Matt Porter, an associate attorney at the Nardone Law Group of Columbus, an expert on gambling taxes.

Porter said casinos make it easy (or hard, depending on your point of view) for gamblers who win \$1,200 or more playing slots; they are automatically given a W-2G form that also is submitted to the Internal Revenue Service. There are different limits on various games that trigger issuance of the W-2G form.

"The varying dollar amounts lead to taxpayer confusion," Porter said. "There's definitely been an uptick in individual gamblers needing help."

Some gambling losses can also be claimed as itemized deductions, he said. But that's a bit tricky, too. For example, if you bet \$5,000 and win \$6,000, you need only claim \$1,000 in winnings on your taxes (total dollars won minus dollars gambled).



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Many people want to be classified as professional gamblers, Porter said, but the IRS sets the bar very high for that, expecting the professional to show gambling as his major source of livelihood and that he spends 40 hours per week gambling. Professional gamblers can deduct expenses, including travel.

“Most people are recreational, not professional gamblers,” Porter said.

He said he has not seen clients reporting winnings from Internet sweepstakes cafes, largely because the cafes and their customers are not required by law to keep records.

Information about federal and state tax law regarding gambling is available at

www.irs.gov/taxtopics/tc419.html and

www.tax.ohio.gov/faq/tabid/6315/QuestionID/627/AFMID/11354/Default.aspx.

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