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The Tax Cuts and Jobs Act (TCJA), enacted at the end of 2017, suspends certain deductions for 2018 through 2025. For example, you can't currently deduct any miscellaneous expenses, including unreimbursed employee business expenses and production-of-income expenses. But one other type of expense that is sometimes thought to be a miscellaneous expense is still deductible by itemizers: gambling losses.

That being said, a special limit applies to gambling loss deductions. Furthermore,

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incur \$10,000 in gambling losses and pull down \$7,500 in winnings in 2022. In that case, your gambling loss deduction is limited to \$7,500. Conversely, if you have \$5,000 in losses, you can write off the entire \$5,000.

The IRS takes a broad view of what constitutes a gambling activity. This isn't restricted to betting on the racetrack or dog track or high stakes at the casinos, although those count, too. It also encompasses lotteries, raffles, keno, poker games, sports wagering and the like—even bingo at the local church!

**What sort of records do you have to keep?** This may vary slightly, depending on the type of gambling activity, but generally the IRS expects you to keep track of the following:

- The date and type of gambling you engage in;
- The name and address of the places where you gamble;
- The individuals you gambled with; and, most important;
- The amount of your winnings and losses.

The supporting documentation for gambling loss deductions may include Form W-2G; Form 5754; wagering tickets; canceled checks or credit card statements; and receipts from the gambling source.

Of course, you can write off gambling losses only if you itemize deductions. In other words, if you opt for the standard deduction instead, you get no deduction, regardless of the amount of income and losses. Note that gambling income may also be subject to state and local taxes.

Finally, you might have an ace up your sleeve. If gambling is legitimately your livelihood, you can report winnings and losses from such activities on Schedule C as a self-employed individual, but you can't claim an overall loss. And you may also be entitled to write-offs for certain travel expenses and other costs (e.g., subscriptions to

gambling magazines) as ordinary and necessary business expenses. Plus, the value of

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