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tabs on these write-offs.

Ken Berry, JD • Jun. 15, 2023



The *Tax Blotter* is a round-up of recent tax news.

Taxpayers can claim a limited deduction for gambling losses, but the IRS keeps close tabs on these write-offs.

Report all your winnings. Gambling losses are deductible only up to the amount of your winnings for the year. Casinos and other gambling payors report earnings on Form W2-G if you win \$1,200 or more from your bets. The IRS computers are

programmed to match Forms W-2G with amounts reported on individual returns.

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22, 3/30/23).

Are you really a pro? If you're a professional gambler, you can deduct all of your losses, just like other businesses. But it's difficult to prove. To qualify as a professional gambler, you must show that you are legitimately engaged in gambling activities in order to turn a profit. Many have tried making this claim, but few have succeeded. Latest example: A couple residing in Nevada, including one spouse who is an accountant, were frequent gamblers. Yet they failed to convince the Tax Court that they qualified as "pros" (Mercier, TC Bench Opinion, Docket No. 7499-22S, 3/8/23).

Income Tax • Taxes

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