

Gambling Winnings & Losses Due Diligence

“You must report the full amount of your gambling winnings for the tax year on Form 1040, line 21.” IRS Publication 529.

You can deduct your gambling losses for the year on Schedule A, Form 1040, line 28. You cannot deduct gambling losses that are more than your winnings.

You cannot reduce your gambling winnings by your gambling losses and report the difference. You must report the full amount of your winnings as income and claim your losses (up to the amount of winnings) as an itemized deduction. Therefore, your records should show your winnings separately from your losses.

Diary of winnings and losses.

You must keep an accurate diary or similar record of your losses and winnings. Your diary should contain at least the following information:

- The date and type of your specific wager or wagering activity
- The name and address or location of the gambling establishment
- The names of other persons present with you at the gambling establishment.
- The amount(s) you won or lost.

Proof of winnings and losses:

In addition to your diary, you should also have other documentation. You can generally prove your winnings and losses through Form W-2G, certain gambling winnings, form 5754, statement by person(s) receiving gambling winnings, wagering tickets, canceled checks, substitute checks, credit reports, bank withdrawals, and statements of actual winnings or payment slips provided to you by the gambling establishment.

Gambling Session

A gambling session is a period of continual play with only a short break in play (restroom break, beverage break, table/machine change, game change, etc.) Stopping to eat lunch would break the day into a new session.

Please sign below once you have read and agree with the following statements:

- I understand that I am required to report all gambling winnings for the tax year, even if I did not receive a Form W2-G for those winnings.
- I attest that I have reported all of my Gambling Winnings for the tax year on my tax return.
- I attest that I have substantial records to support the Gambling Losses I have claimed on my tax return.

Taxpayer Signature

Spouse Signature

Date