

Gaming Withholding and Reporting Threshold – Forms Needed

Game	Form 1099 Required	Form W-2G Proceeds Not Reduced By Wager	Form W-2G Proceeds Reduce By Wager	Form W-2G Withholding Required (1)	Form 1042-S Foreign Payouts Verifiable Payment (2)	Excise Tax Based on Wager
Slot Win (slot tournaments with entry fee)		\$1,200			Yes	No
Bingo Win (Bingo Tournaments with entry fee)		\$1,200			Yes	No
Keno Win (1-20 games)			\$1,500		Yes	No
Keno Win (over 20 games)			\$1,500		Yes	Yes
Sweepstakes, Lotteries, Wagering pools (proceeds more than 300 times the amount wagered)			\$600		Yes	Yes (State conducted lotteries are exempt)
Sweepstakes, Lotteries, Wagering pools. Withholding required regardless of payout odds.				\$5,000	Yes	Yes (State conducted lotteries are exempt)
Wagering transactions with proceeds more than 300 times the amount wagered			\$600	\$5,000	Yes	No
Tournament – no entry fee	\$600				Yes	No
Tournament – with entry fee (3)						
Pari-mutuel, including horse racing, dog racing, and jai alai with proceeds more than 300 times the amount wagered			\$600	\$5,000	Yes	No
Prizes received with no wager (Drawings, Promotions, etc.)	\$600				Yes	No

Sports event or contest (only reportable if proceeds exceed 300 times the wager)			\$600	\$5,000	Yes	Yes
Pull-tabs			\$600	\$5,000	Yes	Yes (4)

Note:

(1) Winnings must be reduced by the amount wagered and the proceeds must exceed \$5,000.00

(2) Payments made to non-resident aliens are subject to withholding and reporting on Form 1042-S (Proceeds from blackjack, craps, roulette, baccarat, or big wheel 6 are exempt from withholding and reporting.)

(3) Tournaments with entry fees must be analyzed to see if the entry fee is a wager, and if the proceeds exceed the wager by 300 times or more, or if the tournament is a wagering pool.

(4) Electronic (coin-operated) Pull-tabs are not subject to the gaming excise tax.

Regs. Sec. 7.6041-1 provides that Form W-2G shall be issued for slot machine and bingo wins of \$1,200 or greater, and for keno wins of \$1,500 or greater. For keno, the winnings from one game shall be reduced by the amount wagered in one game.