

October 19, 2009

## Gambling winnings are taxable

*Christopher Iannuzzi*  
*MSU College of Law*

The stakes in poker can go beyond winning a hand and pocketing a few dollars you can spend on whatever you want.

Gambling earnings are taxable. They need to be included on all 1040 individual returns.

Poker, has grown in recent years to include everything from ESPN's coverage of the "World Series of Poker" to charity fundraising games to online gambling accounts.

Players who win more than \$600 must report those earnings to the IRS. Consequently, any big take at the casino or tournament needs to be included as part of your total income for that particular tax year.

There may be consequences such as penalties for omitting gambling winnings. A major concern for poker players is how to calculate their losses.

Taxpayers who are not in the trade or business of gambling can deduct gambling losses on federal Schedule A as a miscellaneous itemized deduction to reduce the total amount of income that is taxed.

However, for those who are not in the trade or business of gambling, losses are deductible only to the extent of gambling winnings reported on Form 1040.

*Christopher Iannuzzi is a second-year law student at Michigan State University College of Law.*

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