



April 21, 2025

Andres Garcia
Internal Revenue Service
Room 6526
1111 Constitution Avenue NW
Washington, DC 20224

Re: Request for Comment: Form W-2G, Certain Gambling Winnings; OMB Number: 1545-0238

To Whom It May Concern:

The American Gaming Association (AGA)—the national trade group representing the commercial and tribal U.S. casino gaming industry—appreciates the opportunity to provide comments on Internal Revenue Service (IRS) Form W-2G, Certain Gambling Winnings.

Filing a Form W-2G is triggered when a patron's slot jackpot win is \$1,200 or more, a number that has been stagnant since 1977. According to the Bureau of Labor Statistics that would be equivalent to over \$9,200 today with inflation. This outdated policy creates significant compliance burdens on both the IRS and the gaming industry. In 2024, over 31 million W2-Gs were filed with the IRS—a 29% increase from 2023—despite most of these patrons being in a losing position at the end of the year.

The AGA has repeatedly requested the Department of Treasury and IRS address this long-standing issue by using their authority under current Treasury Regulation § 1.6041-10 to increase the dollar threshold for tax information reporting of slot machine jackpots.

The IRS's own Advisory Council (IRSAC) in a 2023 report¹ stated that not increasing the threshold, "Has placed an unnecessary compliance burden on the player (taxpayer), increased administrative costs for tribal (and commercial) casinos, and creates paperwork backlogs and operational burdens at the IRS." Importantly the IRSAC also recommended, "Because this threshold was initially set by regulatory action, such a change should also be made via regulatory action." They came to this informed conclusion after a full and thorough review of the regulatory history of this threshold.

Former IRS Commissioner Werfel testified in May of 2024 in front of the House Subcommittee on Appropriations for Financial Services and General Government. When asked about the slot tax threshold issue and the IRSAC recommendation he stated, "the determination of something like that is of a regulatory nature." The Commissioner went on to say, "While they would consult with me, the decision rests with Treasury and the office of tax policy in consultation with the Secretary."

¹ Internal Revenue Service Annual Public Report 2023. ISSUE FIVE: Recommendations for Increasing the Tax Reporting Threshold for Slot Machine Jackpot Winnings (pages 135-138)



Congress has also weighed in: in their FY2021 Omnibus Appropriations bill, the law states “The Committee encourages the Treasury Department to examine using its regulatory authority to update the dollar threshold for tax information reporting for slot machine jackpots. The Department is directed to report to Congress within 90 days of enactment of this Act on the feasibility of updating the threshold within such authority.”

Congressional Gaming Caucus co-chairs Representative Dina Titus and Representative Guy Reschenthaler sent a letter² in February 2024 signed by 26 members of the House of Representatives urging the IRS to follow IRSAC’s recommendation and use its existing regulatory authority to increase the reporting threshold for slot machine jackpot winnings.

During the FY2025 appropriations process, the House Financial Services and General Government Appropriations committee included language in their report that “The Committee recognizes that the IRS Advisory Council (IRSAC) Public Report published in November 2023, recommends the reporting threshold for Form W-2G to be increased to \$5,000. The IRSAC report also notes, and the Committee agrees, that the IRS is authorized to modify reporting thresholds for Form W-2G, that the IRS administratively set the current threshold in 1977, and that the IRS has not modified it since that time. The Committee directs the IRS to update this threshold in accordance with the recommendation of the IRSAC.”

Raising the threshold for reporting slot machine wins on Form W-2G is a benefit to the IRS, taxpayers and the casino gaming industry. Modernizing the threshold would enhance the quality of information collected, minimize the collection burden on casino staff and enable the IRS to focus its limited enforcement resources on those taxpayers who are most likely to have net slot winnings at the end of the taxable year.

We respectfully ask that you use your regulatory authority to update the threshold to \$5,000, in-line with inflation rates. The AGA is also interested in engaging in a broader discussion with the Department about the overall W2G process to see what efficiencies could be achieved.

Thank you for your consideration of our comments on Form W-2G. If you have any questions, please do not hesitate to reach out to Chris Cylke, Senior Vice President, Government Relations at ccylke@americangaming.org.

Sincerely,

William C. Miller, Jr.
President & CEO
American Gaming Association

² See February 2024 enclosure.

Congress of the United States

Washington, DC 20515

February 5, 2024

The Honorable Danny Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Commissioner Werfel,

We write regarding the recently released IRS Advisory Council (IRSAC) Public Report published in November 2023. We support the recommendation included in the report that calls for an increase of the reporting threshold for slot machine jackpot winnings to account for inflation and urge you to take action to implement it.

As you may know, slot machine jackpot winnings of \$1,200 or more require a W-2G tax form. The antiquated threshold, which has been static since 1977, has led to a significant increase in the number of W-2G forms filed each year, with more than 21.2 million of these forms filed in 2022. Due to inflation, this leads to increasing compliance burdens on taxpayers and significant operational costs for casinos that are providing family-sustaining jobs in our states. Furthermore, unlike other forms of tax information that report actual income, W-2G forms only capture a singular jackpot and do not report on a patron's ultimate taxable gain or loss from slot play. As the IRSAC report notes, raising the threshold to account for inflation "will streamline and enhance the quality of information collected and enable the IRS to focus its enforcement resources on those taxpayers most likely to have year-end net slot winnings."

The IRSAC report also notes that it is entirely within the agency's authority to make this change via regulation. We urge you to follow the IRSAC's recommendation and exercise your authority to raise the threshold for slot machine jackpot winnings to \$5,000 and to consider periodic increases to the threshold based on inflation. Taking this action will align with the IRS initiative to strategically use data to improve tax administration and modernize tax reporting for our constituents.

Thank you for your attention to this matter.

Sincerely,



Guy Reschenthaler
Member of Congress



Dina Titus
Member of Congress



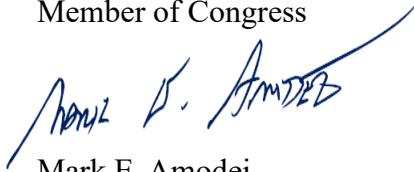
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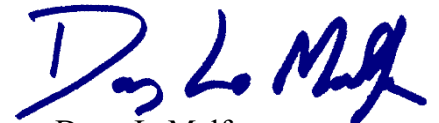
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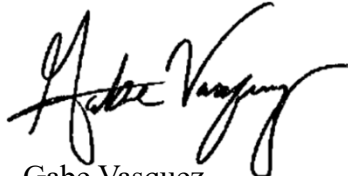
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