

November 12, 2021

Ms. Kinna Brewington  
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. When adjusted for inflation, a \$1,200 jackpot in 1977 is the equivalent to more than \$5,000 today. This outdated policy creates significant compliance burdens on both the IRS and the gaming industry.

The AGA has repeatedly requested the Department of Treasury and IRS address this long-standing issue by using their existing regulatory authority to increase the dollar threshold for tax information reporting of slot machine jackpots under current Treasury Regulation § 1.6041-10. This includes most recently writing to the Department in 2019 and again in July 2021 in collaboration with the National Indian Gaming Association.<sup>1 2</sup>

Congress has also weighed in: the FY2021 Omnibus Appropriations bill included language directing the Department of Treasury to review this issue and report back by the end of March 2021. To date, this report has not been submitted to Congress. Several members of Congress sent a letter to Secretary Yellen in September on the threshold and the required Treasury report.<sup>3 4</sup>

We understand that as many as 2 million Forms W-2G are filed with the IRS annually, despite most of these customers being in a losing position at the end of the year. Raising the threshold for reporting slot machine wins on Form W-2G is a benefit to the IRS, taxpayers, and the casino

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<sup>1</sup> See 2019 enclosure.

<sup>2</sup> See July 2021 enclosure.

<sup>3</sup> "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." Financial Services and General Government Appropriations Bill, 2021 (Page 30, Lines 22-27).

<sup>4</sup> See September 2021 enclosure.



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gaming industry. It would streamline and enhance the quality of information collected, enable the IRS to focus limited enforcement resources on those taxpayers most likely to have year-end net slot winnings, and minimize the collection burden on casino staff.

We respectfully ask that you use your regulatory authority to update the threshold to \$5,000, in-line with inflation rates.

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](mailto:ccylke@americangaming.org).

Sincerely,

A handwritten signature in black ink, appearing to read 'W. C. Miller, Jr.'.

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