

SLOT TAX REPORTING THRESHOLD

TIMELINE

IRS ESTABLISHES REGULATORY AUTHORITY TO MOVE THE THRESHOLD

1977

On January 7, 1977, temporary regulation § 7.6041-1 was published establishing reporting thresholds for payments of winnings from bingo, keno, and slot machine play in the amount of \$600.

After considering the evidence presented by the casino industry, the IRS announced in a press release that effective **May 1, 1977**, information reporting to the IRS would be required on payments of winnings of \$1,200 or more from a bingo game or a slot machine play, and \$1,500 or more from a keno game net of the wager.

On June 30, 1977, § 7.6041-1 was amended to raise the reporting thresholds for winnings from a bingo game and slot machine play to \$1,200, and the reporting threshold for winnings from a keno game to \$1,500 (see background [here](#)).

2015

IN MARCH 2015, IRS [proposes regulations](#) (REG-132253-11) under section 6041 regarding the filing of information returns to report winnings from bingo, keno, and slot machine play. The proposed rules did not change the reporting thresholds but noted “the IRS and Treasury will continue to monitor the effectiveness of the existing (and proposed) reporting thresholds, and may propose to reduce those thresholds at a future time. Comments are specifically requested regarding the proposed reporting thresholds, including the feasibility of reducing those thresholds to \$600 at a future time, whether electronically tracked slot machine play should have a separate reporting threshold, and whether the amounts should be uniform for bingo, keno, and slot machine play.”

IN JUNE 2015, the AGA [testifies](#) at IRS hearing on the proposed rule, noting opposition to any reduction in the threshold and instead advocating for an increase in the threshold to \$5,000 to address decades of inflationary effects. [Senator Dean Heller](#) (R-NV) and members of the [Gaming Caucus](#) also write letters in opposition to reducing the threshold and instead supporting an increase. In the final rulemaking, [IRS noted](#) that “Commentators overwhelmingly opposed the idea of reducing these reporting thresholds. Payors opposed lowering the thresholds because it would result in more reporting, which would increase compliance burdens for the industry. In fact, many commentators suggested that rather than reducing the current thresholds, they should be increased to account for inflation. These final regulations do not change the existing reporting thresholds for bingo, keno, and slot machine play.”

REPEATED CALLS TO RAISE THE SLOT TAX REPORTING THRESHOLD

2017

IN MAY 2017, Rep. Dina Titus (D-NV) sends [letter](#) to IRS Commissioner John Koskinen suggesting IRS consider raising the reporting threshold and tying it to inflation.

2018

IN MAY 2018, Senator Dean Heller (R-NV) sends a letter to Treasury to use its regulatory authority to increase the reporting threshold to \$5,000.

2019

IN MAY 2019, Reps. Dina Titus (D-NV) and Darin LaHood (R-IL) send [letter](#) to Treasury Assistant Secretary for Tax Policy David Kautter requesting that the Department use its authority to increase the threshold.

IN AUGUST 2019, AGA sends [letter](#) to Treasury Assistant Secretary Kautter urging Department to use its regulatory authority to raise the threshold.

2020

IN JUNE 2020, Gaming Caucus Co Chairs Dina Titus (D-NV) and Guy Reschenthaler (R-PA) lead 15 other House members in [letter](#) to Treasury Secretary Mnuchin urging department to use its authority to raise the threshold.

IN DECEMBER 2020, the FY21 omnibus is signed into law which directs the Department of Treasury to review this issue. 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.”

2021

IN MARCH 2021, Treasury Department misses deadline to submit aforementioned report to Congress.

IN JULY 2021, the AGA and IGA (Indian Gaming Association) submit [recommendation](#) for IRS 2021-2022 Priority Guidance Plan, urging agency to include guidance on corrective actions available to the Treasury Department and its regulatory authority under section 7805 to update the threshold.

IN SEPTEMBER 2021, Gaming Caucus members send [letter](#) to Secretary Yellen urging the Department to complete the report.

IN NOVEMBER 2021, the AGA submits [comments](#) in response to an IRS Request for Comment on Form W-2G urging the IRS to raise the threshold for slot machine winnings to \$5,000.

2022

IN MARCH 2022, SLOT Act ([H.R. 6937](#)) introduced that would raise the reporting threshold to \$5,000 and include a mechanism for future increases based on inflation. Seven tribes and tribal organizations write letters in support of the SLOT Act.

2023

IN MAY 2023, SLOT Act ([H.R. 3125](#)) reintroduced.

IN JUNE 2023, the AGA and IGA again submit a [recommendation](#) for the IRS 2023-2024 Priority Guidance Plan urging IRS to include guidance on corrective actions available to the Treasury Department and its regulatory authority under section 7805 to update the threshold.

IN NOVEMBER 2023, IRS Advisory Council issues its annual [public report](#) that includes recommendation for IRS to increase the tax reporting threshold for slot machine jackpot winnings to \$5,000 and to consider periodic increases to increase the threshold to a dollar amount multiplied by the cost-of-living adjustment. The report also notes that “the Department of Treasury has regulatory authority to update the slot jackpot reporting threshold and has exercised such authority in the past.”

2024

IN FEBRUARY 2024, Gaming Caucus Co Chairs Guy Reschenthaler (R-PA) and Dina Titus (D-NV) lead 24 other House members in a [letter](#) to IRS Commissioner Daniel Werfel supporting the IRSAC report recommendation and urging the IRS to take action to implement it.

CONTACT US

CHRIS CYLKE
Senior Vice President,
Government Relations
ccylke@americangaming.org

ALEX COSTELLO
Vice President,
Government Relations
acostello@americangaming.org

ERICA RIORDAN
Director,
Government Relations
eriodan@americangaming.org