

Modernizing Tax Reporting is a Win for Everyone



Please co-sponsor H.R. 2233, the SLOT Act, bipartisan legislation to raise the tax reporting threshold for slot machine jackpots.

BACKGROUND

Regulations set more than 40 years ago require casinos to issue patrons tax forms whenever they win a slot machine jackpot of \$1,200 or more. To comply, the operator's machine immediately shuts down and a casino employee then issues that patron the tax reporting form known as a **W2-G**. This regulation has been static ever since. The level set in 1977 of \$1,200 was reasonable at the time, but that amount has not kept pace with inflation and does not make sense in 2025. Because the threshold has not kept up with inflation, this outdated policy has produced a dramatic increase in the number of reportable jackpots, which has increased the operational costs and associated burdens for casinos, their patrons, and the IRS.

EASE BURDENS ON THE IRS, CASINOS, AND CONSTITUENTS

- Casinos are the only businesses that must take their assets out of production to comply with their tax information reporting obligations. These machines are locked down from anywhere to 20 to 45 minutes.
- An increase in the slot jackpot reporting threshold to \$5,000 would provide significant administrative efficiencies to the IRS. Currently, a sea of W-2G forms flood the IRS each year. Raising the slot jackpot reporting threshold to \$5,000 would enable the IRS to focus its limited enforcement resources on those filers who are most likely to have net slot winnings at the end of the year.
- There is also precedent for using \$5,000 as a benchmark for other tax reporting requirements. Payors are compelled to issue poker players a W2-G when the winnings (reduced by the wager or buy-in) are more than \$5,000 from a poker tournament. Additionally, \$5,000 is used as the benchmark to trigger withholding with respect to sweepstakes, wagering pools, lotteries, and other wagering transactions.

Now is the time to amend this antiquated policy. Sign on as a co-sponsor of H.R. 2233 to raise the tax reporting threshold for slot jackpots to \$5,000 and provide a mechanism for future increases based on inflation.

For questions, please contact:

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