

Gambling income workpaper

Jordan Avery | Tax year 2026 | Casual bettor
Sample Tax & Accounting LLP | Generated 02-10-2027 | Figures computed 02-09-2027

1. Figures for the return

From accepted documents only. Every figure below is traced to a document in section 5 and to the reading in section 6.

Total gambling winnings	\$103,950.00
Schedule 1 (Form 1040), Part I, line 8b. Reported in full whether or not the client itemizes.	
Total substantiated losses	\$101,249.65
Net (winnings less substantiated losses)	\$2,700.35
Deductible losses (90% limit, capped at winnings)	\$91,124.69
Schedule A (Form 1040), line 16, other itemized deductions. Only if the client itemizes.	
Taxable gambling income	\$12,825.32
Of which phantom income (the 10% of losses no longer deductible)	\$10,124.96
Federal income tax withheld	\$0.00
Form 1040, line 25b. A credit on the return, not a reduction of income.	
State income tax withheld	\$218.00

Form lines are those of the current revision at the time of writing. Verify against the year's forms before filing.

2. Reconciliation by operator

An operator's winnings are its statement's, and never less than the W-2Gs the IRS holds for it. A W-2G is not added on top of a statement that already includes the jackpot.

OPERATOR	STMT WON	STMT LOST	W-2GS ON FILE	IRS-ONLY	WON, USED	LOST, USED
Caesars Rewards	\$33,250.00	\$44,710.00	\$29,200.00 (7)	\$4,050.00	\$33,250.00	\$44,710.00
PENN Play	\$41,250.00	\$52,900.00	\$27,200.00 (7)	-	\$41,250.00	\$52,900.00
DraftKings	\$0.00	\$3,639.65	-	-	\$0.00	\$3,639.65
FANDUEL SPORTSBOOK	none on file		-	\$9,550.00	\$9,550.00	\$0.00
WYNN LAS VEGAS LLC	none on file		-	\$19,900.00	\$19,900.00	\$0.00
Total used					\$103,950.00	\$101,249.65

3. IRS transcript cross-check

The Wage and Income transcript holds 20 Form W-2G totaling \$83,500.00. Each is accounted for by an uploaded copy of the form, by the operator's accepted statement, or by nothing yet.

PAYER	FORMS	TOTAL	UPLOADED	IN STATEMENT	NOTHING YET
WYNN LAS VEGAS LLC	3	\$19,900.00	-	-	\$19,900.00
FANDUEL SPORTSBOOK	2	\$9,550.00	-	-	\$9,550.00
CAESARS PALACE	5	\$21,650.00	\$19,650.00	\$2,000.00	-
AMERISTAR CASINO BLACK HAWK	4	\$15,350.00	\$15,350.00	-	-

PAYER	FORMS	TOTAL	UPLOADED	IN STATEMENT	NOTHING YET
HORSESHOE BLACK HAWK	4	\$11,600.00	\$9,550.00	\$2,050.00	-
AMERISTAR CASINO KANSAS CITY	2	\$5,450.00	\$5,450.00	-	-
All payers	20	\$83,500.00	\$50,000.00	\$4,050.00	\$29,450.00

Every form, in the order the transcript lists them:

PAYER	DATE WON	AMOUNT	ACCOUNTED FOR BY
CAESARS PALACE	02-14-2026	\$2,400.00	Uploaded form (Caesars Palace)
CAESARS PALACE	02-15-2026	\$5,250.00	Uploaded form (Caesars Palace)
CAESARS PALACE	02-15-2026	\$3,100.00	Uploaded form (Caesars Palace)
HORSESHOE BLACK HAWK	04-03-2026	\$2,150.00	Uploaded form (Horseshoe Black Hawk)
HORSESHOE BLACK HAWK	06-19-2026	\$4,800.00	Uploaded form (Horseshoe Black Hawk)
HORSESHOE BLACK HAWK	09-05-2026	\$2,600.00	Uploaded form (Horseshoe Black Hawk)
CAESARS PALACE	10-23-2026	\$8,900.00	Uploaded form (Caesars Palace)
HORSESHOE BLACK HAWK	11-27-2026	\$2,050.00	Statement: Caesars Rewards
CAESARS PALACE	10-24-2026	\$2,000.00	Statement: Caesars Rewards
AMERISTAR CASINO BLACK HAWK	01-17-2026	\$2,300.00	Uploaded form (Ameristar Black Hawk)
AMERISTAR CASINO BLACK HAWK	03-21-2026	\$6,400.00	Uploaded form (Ameristar Black Hawk)
AMERISTAR CASINO BLACK HAWK	05-30-2026	\$2,750.00	Uploaded form (Ameristar Black Hawk)
AMERISTAR CASINO BLACK HAWK	08-08-2026	\$3,900.00	Uploaded form (Ameristar Black Hawk)
AMERISTAR CASINO KANSAS CITY	07-11-2026	\$3,200.00	Uploaded form (Ameristar Kansas City)
AMERISTAR CASINO KANSAS CITY	07-12-2026	\$2,250.00	Uploaded form (Ameristar Kansas City)
FANDUEL SPORTSBOOK	01-25-2026	\$6,150.00	NOTHING ON FILE
FANDUEL SPORTSBOOK	11-08-2026	\$3,400.00	NOTHING ON FILE
WYNN LAS VEGAS LLC	12-04-2026	\$2,400.00	NOTHING ON FILE
WYNN LAS VEGAS LLC	12-05-2026	\$5,000.00	NOTHING ON FILE
WYNN LAS VEGAS LLC	12-05-2026	\$12,500.00	NOTHING ON FILE

Also on the transcript and possibly gambling-related, not added to the figures: 1099-MISC from DRAFTKINGS INC, \$1,250.00. Decide with the client whether these are gambling winnings or other income.

4. Findings

3 to review before sign-off. Whether each has been reviewed is recorded in the file, not on this page.

- TO REVIEW

Ameristar Black Hawk
2 identical W-2Gs on file (same date, \$6,400.00, same withholding) - counted once in totals below and excluded the other 1. If these really are separate wins, adjust the date on one of them; otherwise delete the duplicate(s).
- TO REVIEW

FANDUEL SPORTSBOOK
\$9,550.00 of W-2Gs on the IRS transcript but no win/loss statement for this book - the workpaper uses the W-2G total, \$9,550.00, as this book's winnings (the IRS already holds these figures) with \$0.00 in losses. Get the full win/loss statement so losses can be substantiated before finalizing. The IRS transcript shows 2 W-2G(s) totaling \$9,550.00 from FANDUEL SPORTSBOOK that no uploaded W-2G accounts for; get the actual forms from the client (the transcript carries no withholding figures).
- TO REVIEW

WYNN LAS VEGAS LLC
\$19,900.00 of W-2Gs on the IRS transcript but no win/loss statement for this book - the workpaper uses the W-2G total, \$19,900.00, as this book's winnings (the IRS already holds these figures) with \$0.00 in losses. Get the full win/loss

statement so losses can be substantiated before finalizing. The IRS transcript shows 3 W-2G(s) totaling \$19,900.00 from WYNN LAS VEGAS LLC that no uploaded W-2G accounts for; get the actual forms from the client (the transcript carries no withholding figures).

- AGREES

PENN Play

The IRS transcript holds \$20,800.00 of W-2Gs for this book (6 forms), every one of them uploaded, and the statement's winnings of \$41,250.00 already include them. Nothing to chase.
- NOTE

1 transcript item(s) totaling \$1,250.00 (1099-MISC) look gambling-related but are not W-2Gs - not added to totals. Decide with the client whether these are gambling winnings or other income.
- NOTE

Caesars Rewards

The statement's printed W-2G total (\$33,250.00) matches the 9 W-2G(s) the IRS transcript holds (\$33,250.00), so every form is in the totals. The paper W-2Gs are not needed for the federal return; ask for them only if a state return claims withholding from them.
- NOTE

Tax already withheld at the source: \$0.00 federal, \$218.00 state - a credit against the tax on the return, not a reduction of income.

5. Documents on file

17 accepted (1 a duplicate and not counted). Source documents are in the package folders, identification numbers masked.

OPERATOR	DOCUMENT	PERIOD / DATE	WINNINGS	LOSSES	STATE	STATUS
Caesars Rewards	Win/loss statement	TY2026	\$33,250.00	\$44,710.00	-	Accepted
DraftKings	Win/loss statement	TY2026	\$0.00	\$3,639.65	CO	Accepted
PENN Play	Win/loss statement	TY2026	\$41,250.00	\$52,900.00	-	Accepted
Ameristar Black Hawk	W-2G	01-17-2026	\$2,300.00	-	CO	Accepted
Ameristar Black Hawk	W-2G	03-21-2026	\$6,400.00	-	CO	Accepted
Ameristar Black Hawk	W-2G	05-30-2026	\$2,750.00	-	CO	Accepted
Ameristar Black Hawk	W-2G	08-08-2026	\$3,900.00	-	CO	Accepted
Ameristar Black Hawk	W-2G	03-21-2026	\$6,400.00	-	CO	Duplicate, not counted
Ameristar Kansas City	W-2G	07-11-2026	\$3,200.00	-	MO	Accepted
Ameristar Kansas City	W-2G	07-12-2026	\$2,250.00	-	MO	Accepted
Caesars Palace	W-2G	02-14-2026	\$2,400.00	-	NV	Accepted
Caesars Palace	W-2G	02-15-2026	\$5,250.00	-	NV	Accepted
Caesars Palace	W-2G	02-15-2026	\$3,100.00	-	NV	Accepted
Caesars Palace	W-2G	10-23-2026	\$8,900.00	-	NV	Accepted
Horseshoe Black Hawk	W-2G	04-03-2026	\$2,150.00	-	CO	Accepted
Horseshoe Black Hawk	W-2G	06-19-2026	\$4,800.00	-	CO	Accepted
Horseshoe Black Hawk	W-2G	09-05-2026	\$2,600.00	-	CO	Accepted

W-2G winnings by the state printed on the form: CO \$24,900.00 (7 forms); NV \$19,650.00 (4 forms); MO \$5,450.00 (2 forms, \$218.00 state tax withheld). Client-reported states played: Colorado, Nevada, Missouri. Sourcing and any nonresident return are the reviewer's call.

6. How each statement was read

What the statement printed, which of it is a result and which is only money cycled through play, and the arithmetic from one to the other.

Caesars Rewards

Used: winnings \$33,250.00, losses \$44,710.00 | W-2G total + printed net

1. Printed W-2G / hand-pay total \$33,250.00: the forms the IRS already holds, so reported winnings cannot be below it.

2. Printed net for the period: (\$11,460.00) (a loss).

3. Gross winnings = the W-2G total = \$33,250.00.

4. Gross losses = winnings - net = \$33,250.00 - (\$11,460.00) = \$44,710.00.

5. Carried to the workpaper: winnings \$33,250.00 - losses \$44,710.00 = (\$11,460.00).

6. If the IRS transcript holds more W-2Gs for this book than the statement shows, the workpaper raises winnings to that total and losses by the same amount, so this net is kept.

ROW AS PRINTED	NET	W-2G TOTAL
Caesars Palace	(\$7,320.00)	\$21,650.00
Horseshoe Black Hawk	(\$4,140.00)	\$11,600.00

PENN Play

Used: winnings \$41,250.00, losses \$52,900.00 | Gross won / gross lost

1. Gross winnings as stated on the document: \$41,250.00.

2. Gross losses as stated on the document: \$52,900.00.

3. Carried to the workpaper: winnings \$41,250.00 - losses \$52,900.00 = (\$11,650.00).

4. If the IRS transcript holds more W-2Gs for this book than the statement shows, the workpaper raises winnings to that total and losses by the same amount, so this net is kept.

DraftKings

Used: winnings \$0.00, losses \$3,639.65 | Printed net only

1. Printed deposits \$18,400.00 and withdrawals \$14,760.35: cash moved between the player and the account. A deposit is not a loss and a withdrawal is not a win; neither is used.

2. Printed wagered (bets, coin in) \$612,480.10 and paid out (wins, coin out) \$608,840.45: money cycled through play, stakes included. Not income and not losses; neither is used. Their difference, (\$3,639.65), is the statement's net.

3. No W-2G / hand-pay total is printed, so nothing sets a floor under winnings on this statement.

4. Printed net for the period: (\$3,639.65) (a loss).

5. Gross winnings = \$0.00: with no W-2G total printed, a net loss has no winnings side.

6. Gross losses = the net loss = \$3,639.65.

7. Carried to the workpaper: winnings \$0.00 - losses \$3,639.65 = (\$3,639.65).

8. If the IRS transcript holds more W-2Gs for this book than the statement shows, the workpaper raises winnings to that total and losses by the same amount, so this net is kept.

7. Review

W2gMatch reads, organizes and reconciles the documents; it does not prepare the return. Filer status, state sourcing and every filing position are the reviewer's. No figure is estimated: a document that could not be read is a finding, not a number.

Reviewed by

Date