



*This publication provides general information and is not meant to be a substitute for tax laws or regulations.*

**Withholding**

Gambling winnings in the amounts shown on the table below must be reported to the IRS on [Form W-2 G](#), Certain Gambling Winnings, which must be completed by the gambling operator with the prize winner’s information before the prize is awarded. In addition, the prize winner must provide verification of their information in the form of a driver’s license, social security card, voter registration card or other proper identification. If the winner does not provide proper verification, the payor is required to issue the W-2 G form without the social security number and withhold the tax before awarding the prize.

**Backup withholding applies to gambling winnings if:**

- The winner of reportable winnings does not provide verification of their information and;
- Regular withholding has not been applied; and,
- The winnings are a minimum of one of the following:
  - At least \$600 and at least 300 times the wager, or
  - At least \$1,200 from bingo or slot machines, or
  - \$1,500 from Keno, or
  - More than \$5,000 from a poker tournament.

**West Virginia requires 4.82% backup withholding on gambling winnings whenever federal backup withholding is required. Backup withholding does not apply to amounts greater than \$5,000 unless from a poker tournament.**

To calculate winnings, prize amounts are reduced by the amount of the wager. Non-cash prizes, such as automobiles, are subject to withholding and calculated on the basis of the fair market value of the prize. If the winner pays the withholding, the federal withholding rate applies. If the payor pays the withholding, a special [federal withholding rate](#) applies. Prizes awarded by the West Virginia Lottery Commission are considered West Virginia sourced income, including prizes won by nonresidents, and West Virginia withholding will be applied.

TYPE	REGULAR FEDERAL WITHHOLDING RATE AND 4.82% WV RATE IF WINNINGS ARE:	BACKUP WITHHOLDING AT FEDERAL RATE AND 4.82% WV RATE IF WINNER DOES NOT PROVIDE TIN AND WINNINGS ARE:
Bingo	Not applicable	\$1,200 to \$5,000
Slot Machines	Not applicable	\$1,200 to \$5,000
Keno	Not applicable	\$1,500 to \$5,000
Lotteries and Raffles	Greater than \$5,000	\$600 to \$5,000
Other wagers	Greater than \$5,000	\$600 to \$5,000
Sports wagers	Greater than \$5,000	\$600 to \$5,000
Poker tournaments	Not applicable if winnings are reported on Form W-2G	Greater than \$5,000

**Losses**

[HB 2821](#) from the 2023 Regular Session passed legislation that allows for a decreasing modification to be taken against gambling income at the state level. The legislation allows for a decreasing modifications retroactive to 2020 – 2022 tax years; however, **you cannot deduct more losses than income reported.**

When calculating income from WV gaming and gambling activity for the taxable year, the taxpayer may apply a decreasing modification against WV adjusted gross income in the amount of WV gaming and gambling losses allowable as an itemized deduction under the IRS Code. This decreasing modification may not include any costs or expenses associated with gaming or gambling activity.

**The following gaming and gambling losses are not subject to the decreasing modification:**

1. Gaming or gambling losses that have been applied as a deduction in determining the taxpayer’s federal adjusted gross income, or
2. Gaming and gambling losses incurred during unlawful gambling activity. However, gambling winnings from unlawful gambling activity must still be reported.

An amended WV state return must be filed for tax years 2020-2022 using the appropriate year’s tax form. The gambling losses should be reported on the Schedule M, Line 41- Autism Modification. A copy of the first 2-pages of the federal 1040, federal Schedule A, and all W-2G’s must be provided to support gambling winnings. If any of these required supporting documents are missing, the modification will be denied.

For Tax Years 2023 and going forward, there will be a line dedicated to gambling losses on the Schedule M. The supporting document requirement is the same.

**For more information, you can:**

- Call a Taxpayer Services Representative at (304)558-3333 or toll-free at (800) 982-8297
- Email [taxhelp@wv.gov](mailto:taxhelp@wv.gov)
- Go Online to [tax.wv.gov](http://tax.wv.gov)