

TAX INSIGHT

Important Tax Dates & Information

- First quarter individual estimated tax payments are due April 18.
- The deadline for filing your 2016 Form 1040 and paying any tax due is April 18. This includes extensions.

Gambling Wins and Losses



March Madness will soon be upon us. If you're lucky enough to head to Las Vegas to gamble on college basketball, here's what you need to know.

Gambling winnings are fully taxable and reported on your tax return, while gambling losses are allowed as a deduction only to the extent of winnings. Winnings are reported as "other income" on Line 21 of your Form 1040.

To determine your taxable gain on a particular wager, use the net gain on the wager. For example, if you take the spread with the Michigan Wolverines over the Ohio State Buckeyes for \$200 and win \$400, your net winnings are \$200 (\$400 - 200). If you then bet an additional \$100 on the Wisconsin Badgers over the Indiana Hoosiers and lose, you'll still report your previous \$200 as "other income," but you'll also deduct the \$100 loss on Line 28, Other Miscellaneous Deductions, of Schedule A, *Itemized Deductions*. If you are unable to itemize, your losses cannot be used to offset your winnings. You must keep track of losses separately and provide adequate records for your deduction.

While visiting Las Vegas, if you decide to play the slot machines and win, your winnings may be reported on a Form W-2G from the casino. The casino will need your social security number (SSN), withhold taxes, and send you and the IRS a copy of the Form W-2G. If you fail to furnish your SSN, the casino will take more of the winnings right off the top as withholding to send to the IRS.

Did You Know?

The phrase "March Madness" was first coined in connection with the NCAA in 1982 when sportscaster Brent Musburger uttered it during his tournament coverage.

The 65-team tournament is also referred to as the "Sweet 16," "Final Four," and the "Big Dance."

Quote Corner

"The harder the battle, the sweeter the victory."

~ Les Brown