

Professional vs. Casual Gambler Chart
Valid January 1, 2018 – December 31, 2024

	Professional Gambler	Casual Gambler
Gaming Income Taxable?	Yes, I.R.C § 61(a)	Yes, I.R.C § 61(a)
Gaming Losses Deductible?	Partially, only up to winnings I.R.C. § 165(d)	Partially, only up to winnings I.R.C. § 165(d)
Related Expenses Deductible?	Aggregated with losses, and deductible only up to winnings I.R.C. § 165(d)	Aggregated with losses, and deductible only up to winnings I.R.C. § 165(d)
How are Winnings and Losses Aggregated?	Each “cash-out” or “gaming transaction.” Assumed that CCM AM2008-011 applies to professionals	Each “cash-out” or “gaming transaction.” CCM AM2008-011
Above or Below the Line Deduction?	“Above the Line” Deduction – Schedule C. ALWAYS DEDUCTIBLE against gaming winnings	“Below the Line” Deduction – Schedule A. ONLY DEDUCTIBLE if itemized deductions exceed \$12,200/\$24,400 in 2019. Most people do not itemize, so no deduction!