

Congress of the United States

Washington, DC 20515

February 5, 2024

The Honorable Danny Werfel
Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Commissioner Werfel,

We write regarding the recently released IRS Advisory Council (IRSAC) Public Report published in November 2023. We support the recommendation included in the report that calls for an increase of the reporting threshold for slot machine jackpot winnings to account for inflation and urge you to take action to implement it.

As you may know, slot machine jackpot winnings of \$1,200 or more require a W-2G tax form. The antiquated threshold, which has been static since 1977, has led to a significant increase in the number of W-2G forms filed each year, with more than 21.2 million of these forms filed in 2022. Due to inflation, this leads to increasing compliance burdens on taxpayers and significant operational costs for casinos that are providing family-sustaining jobs in our states. Furthermore, unlike other forms of tax information that report actual income, W-2G forms only capture a singular jackpot and do not report on a patron's ultimate taxable gain or loss from slot play. As the IRSAC report notes, raising the threshold to account for inflation "will streamline and enhance the quality of information collected and enable the IRS to focus its enforcement resources on those taxpayers most likely to have year-end net slot winnings."

The IRSAC report also notes that it is entirely within the agency's authority to make this change via regulation. We urge you to follow the IRSAC's recommendation and exercise your authority to raise the threshold for slot machine jackpot winnings to \$5,000 and to consider periodic increases to the threshold based on inflation. Taking this action will align with the IRS initiative to strategically use data to improve tax administration and modernize tax reporting for our constituents.

Thank you for your attention to this matter.

Sincerely,



Guy Reschenthaler
Member of Congress



Dina Titus
Member of Congress

Josh Gottheimer
Member of Congress

Tom Cole
Member of Congress

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