



PENNSYLVANIA GAMING CONTROL BOARD
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Sent via Electronic Mail

All Slot Machine Licensees
Interactive Gaming Certificate Holders
Interactive Gaming Operator Licensees

**RE: Industry Guidance 2025-06
W-2G Issuance Threshold**

Dear Licensees, Certificate Holders, and Operators:

You are receiving this letter because you are currently licensed in the Commonwealth of Pennsylvania as a Slot Machine Licensee, Interactive Gaming Certificate Holder, and/or Interactive Gaming Operator Licensee. Staff of the Pennsylvania Gaming Control Board ("Board" or "PGCB") are aware of changes to the reporting and issuance threshold established by the Internal Revenue Service ("IRS") relative to the W-2G federal tax form. Several Licensees have reached out with questions regarding the IRS W-2G issuance threshold and the Board's regulations.

Specifically, 58 Pa. Code § 465a.26(b)(2) (relating to Jackpot and credit meter payouts) provides in relevant part:

- (b) The internal control procedures must, at a minimum, include:
 - (1) ...
 - (2) A requirement that if the jackpot or credit meter payout on a slot machine is equal to or between \$1,200 and \$9,999.99, a security department member or a slot operations department member other than the preparer shall sign the jackpot/credit meter payout slip verifying the winning combination of characters or a code corresponding to the winning combination of characters on the slot machine, the amount of the jackpot or credit meter payout and the payment of the jackpot or credit meter payout to the patron. Notwithstanding the foregoing, if the licensee's slot or casino management system can independently verify a jackpot or credit meter payout, only the preparer is required to sign the jackpot/credit meter payout slip for payouts less than or equal to \$4,999.99 provided that the slot machine licensee's internal control reflect the following:
 - (i) If the slot machine licensee's slot or casino management system or the central control computer system are not fully operational, or when overrides or adjustments are required, two individuals shall verify a jackpot or credit meter payout that is equal to or between \$1,200 and \$9,999.99 as specified in this paragraph.

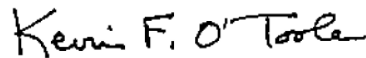
- (ii) Jackpot payouts that are equal to or greater than \$1,200 shall be accompanied by the issuance of a W-2G Form.
- (3) ...

In light of the IRS adjusting the W-2G issuance rules, PGCB is providing this guidance. For purposes of PGCB regulations, including 58 Pa. Code § 465a.26(b)(2), all references to federal tax policy, including the issuance of W-2G tax forms, shall follow the IRS' rules and procedures. For 2026, PGCB understands the IRS is setting the W-2G threshold at \$2,000.

While PGCB evaluates what alterations to its regulations may be warranted, the Board provides this further clarification. With respect to the provisions of 58 Pa. Code § 465a.26(b)(2), which governs jackpots up to and including \$9,999.99, the Board reads the \$1,200 stated in the regulations as being intended to coincide with the IRS' W-2G issuance threshold. Therefore, licensees may treat the instances of \$1,200 under 58 Pa. Code § 465a.26(b)(2) as equaling the W-2G threshold, which PGCB understands to be \$2,000 for calendar year 2026. The remaining aspects of the Board's regulations remain in force and effect as written.

At such time that revisions to the Board's regulations are effectuated and published in the *Pennsylvania Bulletin*, the language of such regulatory revision shall supersede this letter. If you have any questions or concerns on this matter, please do not hesitate to contact Senior Counsel, Robert Wood, via email at rmwood@pa.gov.

Sincerely,



Kevin F. O'Toole
Executive Director

KFO/rw

cc: Steve Cook, Chief Counsel, PGCB
Cyrus Pitre, Chief Enforcement Counsel, PGCB
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