



A focus on sweepstakes

Emerging topics
in Gaming

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Executive Summary

Sweepstakes casinos offer a unique and (as many have opined) legally distinct approach to online gambling. Unlike traditional online casinos, these platforms currently operate under sweepstakes laws, which arguably allow them to provide gaming entertainment without falling under the stringent regulations that typically govern online gambling. Here, we will explore some a number of considerations for this rapidly growing, but controversial segment of the gaming industry.



Historical background on evolution of sweepstakes casinos;



How they operate:



A high-level summary of their legal framework;



Key technical accounting and tax considerations for sweepstakes operators and players:



Potential market size & outlook;



Potential future state.

Social Casino Roots

The online gaming industry has witnessed significant growth over the past decade, with social casinos and sweepstakes casinos emerging as prominent segments. Both types of casinos offer unique gaming experiences and have cultivated substantial user bases.

Social casinos refer to online gaming platforms where users can play casino-style games such as slots, poker, and blackjack without wagering real money. Instead, players use virtual currency to engage in these games, often through social media platforms or dedicated mobile apps.

Several factors have contributed to the growth of the social casino market:

- **Mobile Gaming Adoption** – The widespread use of smartphones and tablets has made it easier for users to access social casino games on the go.
- **Social Interaction** – Social casinos leverage social media integration, allowing players to connect, compete, and share their achievements with friends.
- **Freemium Model** – The freemium revenue model, where basic gameplay is free, but players can purchase virtual currency or items, has proven highly effective in monetizing the user base.
- **High-Quality Content** – Continuous innovation and the introduction of new games and features, including online versions of popular slot games found in land-based casinos, keep players engaged and coming back for more.

Sweepstakes casinos have effectively evolved out of the social casino construct, by offering an alternative approach to regulated online gaming. These platforms allow players to participate in both free-to-play casino-style games and sweepstakes promotions, often leveraging the same or similar game content and providing an easy method to toggle between free-to-play and sweeps play environments, but with the potential ability to win real prizes.

Overview of Sweepstakes Gaming Model

Sweepstakes casinos typically use two types of virtual currencies: one for playing games for fun (e.g. social gaming) and the other for participating in sweepstakes. For example, Gold Coins can be purchased and used to play various games, but they hold no monetary value and cannot be redeemed for cash. On the other hand, Sweeps Coins can be obtained through promotional methods, such as mail-in requests or as bonuses when purchasing Gold Coins. Sweeps Coins can be used to play games that offer the opportunity to win real cash prizes.

Players have several methods to acquire the necessary virtual currencies to participate in sweepstakes casinos. The most common methods include:

- **Gold Coins/Game Coins ("GC")** – GC are the fundamental virtual currency used in Social and Sweepstakes Casinos. GC have no monetary value and are used by the gaming participant to play games and engage in contests that result in only the loss of wagered GC or a prize of additional GC. Limited amounts of GC are given to the participant for free, but the participant may purchase additional GC using real currency. The sale of additional GC to participants is the primary revenue source for both Social and Sweepstakes casino operators.
- **Sweeps Coins ("SC")** – SC are the secondary virtual currency used in Social and Sweepstakes Casinos. Unlike GC, SC do have monetary value and are the primary mechanism by which participants can earn real cash and prizes. SC are *always* free and cannot be purchased directly. Instead, a participant receives free SC through a variety of mechanisms, including but not necessarily limited to:

- As a gift when a purchase of GC is made;
- Daily login bonuses;
- Accepting offers with bonus codes;
- Social media connection or task bonuses;
- Weekly leaderboards, events, and promos;
- Email newsletter bonuses;
- Player referrals;
- Free tournament play; and
- Requesting free SCs via mail

Gameplay & Winning – Once players have acquired their virtual currencies (either GC or SC), they can use them to play various casino-style games, such as slots, poker, blackjack, and sportsbooks. One of the most appealing aspects of sweepstakes casinos is the ability to redeem SC for real cash prizes. When players accumulate a certain number of SC through gameplay and satisfy the applicable play through requirements, they can request a redemption. The process typically involves verifying the player's identity and ensuring compliance with the casino's terms and conditions. Once approved, the cash prize is transferred to the player's designated payment method.

Potential Advantages to Sweepstakes Model:

- **Legal Accessibility** – Because they currently operate under sweepstakes laws, these casinos are accessible in regions where traditional online gambling may be restricted, providing a (arguably) legal and fun gaming alternative. In general, sweepstakes casinos are currently available in 35+ states, while legalized iGaming is available in only 7 states at the present time.
- **Ease of Access** – Similar to social casinos, sweepstakes casinos benefit from the ubiquity of mobile devices, enabling players to participate anytime and anywhere
- **No Purchase Necessary** – Players are not required to spend money to participate, thanks to methods like mail-in requests, social media promotions, and other Alternative Methods of Entry (“AMOE”).
- **Monetary Prizes** – The chance to win tangible rewards, such as cash or gift cards, attracts a broad audience of players
- **Marketing & Promotions** – Aggressive marketing campaigns and enticing promotions help sweepstakes casinos acquire and retain users. Sweepstakes casinos are also not necessarily subject to the same marketing and advertising restrictions as regulated gaming operators.

Potential Challenges:

- **Regulatory Ambiguity** – The legal status of sweepstakes casinos can vary by jurisdiction, leading to potential regulatory changes or restrictions.
- **Verification Process** – Redeeming prizes often involves a thorough verification process, which can be time-consuming and may deter some players.
- **Game Fairness** – Ensuring the fairness and transparency of games is crucial to maintaining player trust and satisfaction.
- **Responsible Gaming & Player Protection** – Maintaining robust and clear options for players to obtain necessary support for problem behaviors and ability to opt-out easily is also a key consideration.

Basic Legal Framework

A sweepstakes is defined as a promotional drawing in which prizes are given away to participants selected by chance. One of the main legal arguments supporting the operations of sweepstakes casinos is that they do not constitute gambling under many jurisdictions' laws. Gambling typically involves three elements: **consideration, chance, and prize**. Sweepstakes casinos and their proponents argue that they remove the "consideration" element by providing free AMOEs, thereby differentiating themselves from gambling operators. This exclusion arguably allows them to operate legally in areas where gambling may be heavily regulated or prohibited.

Several legal cases and precedents have shaped the understanding and regulation of sweepstakes casinos. Courts have examined the nuances of what constitutes consideration and have often upheld the legality of sweepstakes that offer alternative methods of entry. These rulings have provided a baseline legal foundation for sweepstakes casinos to operate within the boundaries of the law.

The legal landscape for sweepstakes casinos varies by jurisdiction, with some states having more restrictive regulations than others. At the federal level, laws such as the Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006 provide guidelines on what constitutes lawful online gaming.

Sweepstakes casinos often navigate these regulations by ensuring they do not meet the criteria for illegal gambling activities.

Overall, the legal & regulatory environment for sweepstakes casinos continues to rapidly evolve, marked by a very passionate and often public debate amongst stakeholders on both sides, a number of ongoing state investigations, Cease & Desist letters, Class Action lawsuits against sweepstakes casino operators and their suppliers, legal settlements, and proposed legislation to ban sweepstakes casinos in some states or to regulate them as iGaming in others.

Estimated Market Size & Outlook

- **Social Casinos** – The social casino market has experienced robust growth, driven by the increasing popularity of mobile gaming and the social connectivity offered by these platforms. According to some industry reports, the global social casino market gross revenues were estimated to be approximately \$7.1 billion for 2024¹. Many analysts are projecting relatively flat operating results for 2025-2027, given certain headwinds, including underperformance of certain App developers, market saturation, and competition from sweepstakes casinos (which offer players a chance to win real money prizes).
- **Sweepstakes Casinos** – The sweepstakes casino market has also seen significant growth from 2019-present, particularly in regions where traditional online gambling is restricted. Some estimates indicate that the sweepstakes casino market has grown at a 4-year Compound Annual Growth Rate (CAGR) of 60-70% from 2020-2024, with a significant increase during 2023-2024, largely due to new investment in the space. Additional estimates place 2024 industry gross and net revenues north of \$10.6 billion and \$3.4 billion, respectively². Some projections for 2025 have estimated gross and net revenues above \$14.3 billion and \$4.6 billion, respectively³.

It should be noted that given the regulatory uncertainty and number of new market entrants from 2023-early 2025, some analysts have flagged the potential for the growth to slow post-2025 because of market saturation and potential contractions due to the shifting legal outlook.



¹ Eilers & Krejcik Gaming - Social Casino Gaming Tracker - 1Q25

² Eilers & Krejcik Gaming - Social Sweepstakes Gaming Monitor - 1Q25

³ *Id.*

Objections from Regulated Gaming Industry

Sweepstakes casinos have emerged as a popular alternative to traditional gambling establishments, offering players the chance to win prizes through various promotional games. However, their rise has not been without controversy. Many stakeholders within the gambling industry have raised concerns about the operation and regulation of sweepstakes casinos. Two recent examples include the American Gaming Association's ("AGA") recent memorandum asking gaming regulators to undertake a close review of the activities of sweepstakes operators, while the National Council of Regulators in Gaming States calling for a ban on sweepstakes operations as part of its model online gaming framework. Here, we further explore some of the key objections voiced by industry insiders:

- **Less Stringent Regulatory Framework** – One of the primary concerns often cited is the lack of stringent regulation governing sweepstakes casinos. Unlike traditional casinos, which are subject to rigorous oversight and regulatory frameworks to ensure fair play and consumer protection, sweepstakes casinos often operate in a regulatory grey area. This lack of oversight can lead to issues such as unfair game practices, lack of transparency in prize distribution, and inadequate consumer protection. Regulated gambling industry stakeholders have also raised specific concerns regarding what they perceive as a less robust KYC and AML control environment at sweepstakes casino operators.
- **Unclear Legal Status** – The legal status of sweepstakes casinos is another significant point of contention, with a key argument being that these establishments often exploit loopholes in gambling laws by positioning their activities as promotional games rather than traditional gambling. Regulated operators express a view that such ambiguous legal positioning can create an uneven playing field, where sweepstakes casinos are not held to the same standards and regulations as their traditional counterparts, resulting in unfair competition.
- **Consumer Protection** – There is also concern about consumer misunderstanding regarding the nature of sweepstakes casinos. A common argument is that many players may not fully grasp the distinction between traditional gambling and sweepstakes models, potentially leading to confusion and unrealistic expectations about their chances of winning. The lack of clear information and education about how these casinos operate can result in players feeling misled or deceived.
- **Responsible Gaming Considerations** – While sweepstakes casinos are often marketed as a more casual and less risky form of gaming, industry experts worry that they still pose a potential risk for problem gambling. The ease of access and the appeal of winning prizes can encourage compulsive behavior similar to traditional gambling. Without proper safeguards and support mechanisms in place, vulnerable individuals may be at risk of developing gambling-related issues.
- **Impact on Regulated Operators** – Traditional casinos and iGaming operators argue that the proliferation of sweepstakes casinos can have a negative economic impact on their operations. Sweepstakes casinos can divert a portion of the player base away from established gambling venues, leading to decreased revenues and, consequently, reduced economic contributions to local economies, while negatively impacting jobs, tourism, and local businesses that rely on the land-based casino patrons.
- **Fairness & Game Integrity** – Another significant objection revolves around concerns about the fairness and integrity of sweepstakes games. Regulated operators often argue that, without stringent regulatory oversight, there is no guarantee that the games are conducted fairly or that the advertised prizes are awarded as promised. This lack of accountability can undermine consumer confidence and tarnish the reputation of the broader gambling industry.
- **Marketing Practices** – The advertising and marketing practices of sweepstakes casinos have also come under scrutiny. Critics argue that some promotional strategies can be misleading, targeting vulnerable populations with enticing offers that may not accurately represent the true nature of the

games. This type of marketing can exacerbate the risks associated with problem gambling and consumer deception.

Federal & State Tax Considerations

In addition to the legal and regulatory debate around sweepstakes casinos, another topic that has been periodically raised in various forums is the question of taxation on sweepstakes operators.

Sweepstakes companies are impacted by a number of technical accounting and tax issues, including but not limited to revenue recognition, software capitalization, federal and state corporate income tax, sales & use taxes, R&D activities, and player information reporting requirements. Here, the focus is on some of the tax issues encountered by this specific segment of the gaming industry. Many of these considerations may look similar to those facing the broader regulated gaming industry on the surface. However, given the legal basis under which the sweepstakes model currently operates, there are also some fundamental differences to be addressed.

- **Gross Gaming Revenue (GGR) Taxes** – GGR taxes encompass both the federal excise tax (where applicable) and state gaming taxes. Such taxes are typically based on wagers placed (handle) minus winning payouts minus allowable deductions (e.g. promotions, free play, etc.). Sweepstakes casino operators argue that, because they are not considered regulated gambling operators under their legal framework, they are not subject to GGR taxes. This is one of the most common criticisms raised by regulated gambling industry stakeholders when discussing sweepstakes casinos.
- **Corporate Income Taxes** – Operators of sweepstakes casinos are subject to federal and state corporate income taxes on their earnings. These taxes are calculated based on the net taxable income generated from their operations and the specific tax rates and regulations will vary depending on the country and state in which the casino is based/domiciled. However, given the fact that sweepstakes casino platforms are generally available in 30+ states and states typically apply economic nexus principles to such companies in order to determine where tax returns must be filed, it is likely fair to say that profitable sweepstakes casino operators are subject to significant federal and state corporate income taxes on their income.
- **State Indirect Taxes** – An increasing number of states apply sales & use taxes to the sale of virtual currencies, tokens, or other in-game items. Sweepstakes casinos may be required to collect and remit sales and use taxes, particularly on the sale of GC. These taxes are typically calculated as a percentage of the gross sales price and must be reported and paid to the appropriate tax authorities, typically on a monthly basis.

In addition, other states may treat the sale of GC as subject to amusement taxes or other gross receipts-based taxes. In order to effectively maintain compliance with the various indirect taxes that are likely applicable to sweepstakes operators, implementation of a tax engine is recommended to support the calculation and collection of any required taxes at the time of GC purchase. To the extent non-cash prizes are also awarded, there may be additional Use tax considerations to be addressed.

- **Player Information Reporting** – Sweepstakes casinos also have reporting and withholding requirements for certain types of prizes and winnings. For example, in the United States, many operators issue IRS Form 1099-MISC to players who receive prizes valued at \$600 or more. Additionally, operators may be required to withhold a portion of the prize amount for federal and state taxes, depending on the value of the prize and the player's tax status.
- It should be noted that IRS Publication 505 indicates that “Gambling winnings of more than \$5,000 from the following sources are subject to income tax withholding:

Any sweepstakes; wagering pool, including payments made to winners of poker tournaments; or lottery.

Any other wager if the proceeds are at least 300 times the amount of the bet.”

This language seemingly indicates that sweepstakes winnings are considered a gambling transaction and reportable using Form W-2G. However, one can also point to a 2004 Technical Advice Memorandum from the IRS National Office (TAM 200417004), which appears to conclude that a player’s winnings from a free/non-paid entry sweepstakes contest is not considered wagering income.

The chosen method for reporting of player redemptions may also materially affect both the volume and methodology applied to such information reporting. If a sweepstakes casino were to report redemptions via Form W-2G, the reporting threshold is likely higher (e.g. \$1,200 or more for slot wins). However, slot wins of more than \$5,000 (net of wagers in a 24-hours slot play period) are subject to backup withholding. If a sweepstakes sportsbook is treated as a sports betting operator (see further discussion below), the reporting threshold would be a win of \$600 or more **and** 300 times the wager (with the same backup withholding requirement for wins over \$5,000). Different state reporting and withholding rules may also apply. Players may also be able to deduct their gambling losses to the extent of their winnings. Form W-2G reporting would likely reduce the volume of player information returns required because of the higher threshold but require backup withholding in certain situations. In addition, reporting on a W-2G basis further highlights the unresolved Federal Excise Tax matter discussed further below.

Conversely, reporting redemptions via Form 1099-MISC likely results in a significantly higher volume of forms to be submitted because of the lower \$600 reporting threshold. Further, such winnings are reported on a **gross** basis and players cannot net amounts paid for GC against their redemptions. This is the result of the dual currency model under which sweepstakes casinos operate and the legal argument that they remove “consideration” from the equation by awarding SC for free. To date, the industry has generally applied the logic in the aforementioned TAM that it is not a wagering transaction. Therefore, many sweepstakes casino operators report or should report **gross** player redemptions via 1099-MISC. However, this remains an unsettled matter, given the absence of further definitive guidance.

- **Federal Excise Tax**

Applicability to Sweepstakes Casinos – Federal excise tax is imposed at 0.25% on legal wagers and 2.0% on illegal wagers. However, IRS Section 4402 indicates that the excise tax does not apply “On any wager placed in a sweepstakes, wagering pool, or lottery which is conducted by an agency of a State acting under authority of State law, but only if such wager is placed with the State agency conducting such sweepstakes, wagering pool, or lottery, or with its authorized employees or agents.” At first glance, this is an additional reference to treating sweepstakes as a wagering transaction (similar to Publication 505 referenced above). However, given the conclusion in TAM 200417004 (also discussed above), the question of whether the federal excise tax applies to sweepstakes casinos is another unresolved issue to date.

Emergence of Sweepstakes Sportsbooks – This represents a new sub-segment of the sweepstakes gaming industry that is rapidly growing in popularity. Sweepstakes sportsbooks leverage a similar dual currency model and legal framework to sweepstakes casinos. However, instead of replicating an online casino experience, they emulate an OSB. It is worth noting that, if sweepstakes gaming were to be reclassified or redefined under federal or potentially under state law as an iGaming or OSB transaction (depending upon the nature of each platform), the federal excise tax likely would not apply to iGaming but does apply to OSBs. This is an issue to monitor for future development because it represents a potential scenario where federal or state legal recharacterization might drive future application of the federal gambling excise tax.

There is some precedence here as well, given the past (and as of yet, unresolved) position of the IRS that fantasy sports entry fees are subject to the federal excise tax on sports betting.

- **Player Income Taxes on Winnings** – Players who win prizes from sweepstakes casinos are required to report their winnings as income on their tax returns. The specific tax treatment of these winnings will depend on the player's country of residence and the value of the prize. In addition to federal taxes, players may also be subject to state and local taxes on their sweepstakes winnings. These taxes can vary significantly depending on the jurisdiction, with some states imposing a flat tax rate and others using a progressive tax system.

The characterization of such income also remains an open issue in light of the unsettled question of Form W-2G vs. Form 1099-MISC reporting discussed above. If a player's winnings from a sweepstakes casino are considered to be from a gambling transaction, then such player may be able to deduct gambling losses to the extent of their winnings. Conversely, if the sweepstakes redemptions are not considered gambling winnings, then the player is likely unable to net any gambling losses against them and would pay tax based upon gross redemptions.

It is important to bear in mind that when sweepstakes companies effectively implement and manage tax obligations like those outlined above, there are significant tax revenues to be generated at the federal and state levels, especially with respect to reporting of player winnings/redemptions, and sales & use taxes applicable to the purchase of GC. That is also in addition to regular federal and state corporate income tax obligations.

Again, **it is critical to emphasize** that KPMG LLP is not commenting on the legal basis for sweepstakes gaming nor on the related legal & regulatory debate. **KPMG LLP is simply highlighting** that taxation is another key element which is not always part of the conversation around sweepstakes casinos and, when it is brought up in the discussion, this can take the form of generalized statements that miss key nuances, contain certain misconceptions, or may be fundamentally inaccurate. These issues are complex and often very factually specific. Stated more simply, when it comes to sweepstakes casinos and their tax obligations, "different" or "unregulated" doesn't necessarily mean "zero" or "not paying taxes."

Technical Accounting Considerations

The sweepstakes casino operating model allowing users to play casino games without directly wagering real money, instead using virtual currency with the potential for winning prizes presents several unique accounting challenges under U.S. Generally Accepted Accounting Principles (GAAP).

- **Revenue Recognition**

Virtual Currency Sales – The primary source of revenue for sweepstakes casinos is the sale of virtual currency. Under U.S. GAAP, particularly ASC 606, revenue from these sales should be recognized when the performance obligations are satisfied. This typically occurs when the virtual currency is delivered to the customer. However, if there are multiple performance obligations (e.g., currency with a bonus), revenue should be allocated based on the standalone selling prices of each component. In addition, there may be additional considerations around the timing of delivery to the customer based upon the estimated player/customer life cycle and related deferred revenue considerations

Prize Distribution – Sweepstakes casinos often have prize components where players can win real-world prizes. Under ASC 606, the estimated value of these prizes should be recognized as a liability when the probability of the prize distribution is determined. Adjustments to this liability should be made based on the actual distribution and any changes in estimated outcomes.

- **Cost of Sales** – The cost associated with the distribution of virtual currency and prizes must be accurately tracked and reported. This includes transaction fees, platform maintenance, and the cost of physical prizes. These costs need to be matched with the corresponding revenue to comply with the matching principle under U.S. GAAP.
- **Marketing & Promotional Expenses** – Marketing and promotional activities, such as bonus virtual currency or special event prizes, should be accounted for as expenses when incurred. These expenses must be reported in the period in which the promotional activities take place.
- **Fair Value Measurement** – Determining the fair value of virtual currency and prizes is crucial for accurate financial reporting. ASC 820 outlines the hierarchy of fair value measurement, which should be followed to ensure consistency and reliability in valuations. Observable inputs should be used when available, with adjustments made for unobservable inputs as necessary.
- **Player Accounts & Deferred Revenue** – Sweepstakes casinos often have deferred revenue related to unused virtual currency in player accounts. This deferred revenue should be recognized as a liability until the virtual currency is used or expires. The breakage model, as described in ASC 606, can be applied to estimate the portion of virtual currency that will not be redeemed and recognize it as revenue proportionally.
- **Financial Statement Disclosures** – It is imperative to consider the legal and regulatory environment in which sweepstakes casinos operate. Compliance with state and federal laws, including anti-money laundering regulations, impacts accounting practices and disclosures. Any legal contingencies must be evaluated and appropriately disclosed in the financial statements. Similarly, any potential income or indirect tax exposures may also require applicable disclosure.

Potential Future State

The topic of sweepstakes gaming has been a lightning rod for debate across the gaming industry. Such operators are no doubt facing an increased level of scrutiny and uncertainty as regulators and lawmakers grapple with the appropriate framework governing such activities. While the future regulatory framework for sweepstakes gaming remains unclear, some common themes and potential outcomes are emerging, including but not limited to, the following potential scenarios:

- Significant sweepstakes market contraction due to regulatory and legislative action;
- Sweepstakes industry remains largely unregulated;
- Rapid growth of the sweepstakes industry to date leads to a broader focus on expansion of regulated iGaming; or
- Partially regulated/partially unregulated.

Perhaps the most logical parallel may lie in the history of regulation and litigation in the fantasy sports segment of the gaming industry.

The fantasy sports industry experienced rapid growth in the early 2000s, ultimately leading to a significant debate over legality of the product. Lawmakers and courts had to determine whether fantasy sports constituted games of skill or games of chance, a distinction that significantly influenced their legal status. Notable lawsuits, state-level legislation, and the Unlawful Internet Gambling Enforcement Act (UIGEA) of 2006, have shaped the current regulatory landscape for fantasy sports, which ultimately remains a patchwork of state-by-state rules and continues to evolve to this day. States have varying definitions, licensing requirements, and consumer protection measures. Operators continue to navigate differing state laws and tax requirements, which creates operational complexities but allows for unique opportunities and tailored approaches based on local regulations.

Conclusion

KPMG LLP notes that the sweepstakes casino model has seen explosive growth in recent years but has also attracted significant scrutiny regarding the lack of regulatory oversight or even legality of the operations under applicable state gambling laws. While the potential for further growth in the industry is significant, operators have been subject to recent headwinds, including class action lawsuits, cease and desist letters and recently-enacted and proposed legislation to regulate or outlaw sweepstakes casinos.

There is no secret that the sweepstakes model has been a hot topic during recent months with very passionate viewpoints and disparate legal arguments on each side of the aisle, often spilling out into public forums and social media. While we are not regulatory attorneys and therefore, cannot and will not weigh in on the legality of the sweepstakes gaming model or the underlying analysis, it does seem clear that this debate is far from settled and will continue to evolve on multiple fronts, particularly with the current lack of new iGaming legislation in the US.

How can KPMG help?

The gaming industry is undergoing a period of rapid transformation that disrupts the status quo. Look no further than the rapid emergence of quasi-gaming platforms including fantasy sports, skill-based gaming, and sweepstakes, even as regulated retail and online gambling continue to grow in parallel.

The decisions made by a sweepstakes operator with respect to maintaining effective technical accounting and tax compliance processes can have a meaningful impact on your financial results, cash flow, tax liabilities, and reporting obligations. KPMG LLP's US Gaming Team brings together resources from our Audit, Tax, and Advisory practices with deep industry experience. Our teams can assist sweepstakes gaming operators in navigating accounting considerations for key focus areas, including revenue recognition and software capitalization, as well as important tax implications, including but not limited to, federal and state corporate income tax, sales & use taxes, R&D activities, and player information reporting requirements.

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