



A taxpayer may be considered as carrying on a gambling business depending on:

Degree of Organization

For example, a poker player may be deemed as carrying on a gambling business when dedicating an important portion of their free time to training and skill enhancement.

The taxpayer's risk assessment and minimization strategy with the use of special knowledge or inside information that enables them to reduce the element of chance.

Risk

Assessment

Gambling for Profit

The taxpayer's intention to gamble for pleasure as compared with any intention to gamble with the ability to profit and make a living from the gambling activities themselves.

The taxpayer's ability, knowledge and competence of the game must also be taken into consideration.

Knowledge of the Game

Extent of gambling activities

This includes the number and frequency of bets, although being an inveterate gambler does not mean that a taxpayer is carrying on a business.