

Billiard Tax Packet

Disclaimer:

This tax information is prepared specifically for billiard players. I have attempted to make it very simple and easy to understand. For legal reasons, I have to make the following disclaimer: I am not an accountant. This information is being given as a basic guideline to understanding your responsibilities as a billiard player when it comes to filing tax returns with the government. You should not accept this information as being 100% accurate and should always consult a certified public accountant (CPA) before filing a tax return. Under no circumstances, including, but not limited to, negligence, shall the author or the United States Billiard Association Inc.(USBA) be liable for any special or consequential damages that result from the use of, or the inability to use, the information contained herein. In no event shall the author or the USBA be liable to the reader for any or all damages, losses, and causes of action (whether in contract, tort (including, but not limited to, negligence)).

Many billiard players do not realize that even if they earn income from playing billiards or giving lessons, etc, that they do not necessarily owe taxes to the government. It depends on how much income they have earned for the year and also how much money they have spent on billiards during the year.

If a player wins more than \$600.00 from the USBA annually, the USBA must submit a statement of income (IRS Form 1099-MISC) to both the player and the IRS. The player must declare this income on their tax return for the year in which the payment was received. The IRS is very good at matching up 1099's with taxpayers, and will expect you to either pay tax on the income or explain why you should not.

Many things are legitimate billiard expenses such as the following:

Table Time: The money you spend at billiard rooms to practice or play others

Purchase of Equipment: Cues, cue tips, ferrules, shafts, chalk, cue cases, labor paid to others to fix up your cue, etc,

Travel Expenses: Do you ever travel to a tournament? Airfare, hotels, rental cars, gasoline, etc, are all legitimate travel expenses. You are also allowed to deduct ½ of all the money you spend on food while you travel to a tournament. You should always keep receipts of everything (or a journal) if possible.

Clothing: Do you ever purchase clothes specifically for billiards or tournaments? They are all legitimate billiard expenses as well.

Dry Cleaning, Laundry: The cleaning of your "billiard clothes" is deductible as well.

Entry Fees: Any amount that you pay as an entry fee for a tournament is also deductible.

I am sure there are many more available deductions as well if you put your mind to it.

The typical billiard player will end up LOSING money at the end of the year. Therefore, they will not owe ANY money to the government. Legally, you are still required to file a Schedule C with your tax return if you had any income whatsoever for the year from billiards. Most players will end up having more billiard expenses than billiard income, and therefore will not owe any money whatsoever.

If you are a very good player and earn more billiard income than expenses, then you will have to pay taxes. The good news is that you will not pay taxes on the entire amount of billiard income that you make for the year; you will only pay taxes on the amount you REALLY made, which means the amount you make after you deduct all your billiard expenses.

So, in summary, here are some examples of what to do:

- 1) If you earn no money in billiard income for the year: you do NOT have to file a Schedule C with your tax return.
- 2) If you earn ANY money in billiard income for the year: you DO have to file a Schedule C with your tax return.
- 3) If your billiard expenses on Schedule C are MORE than your billiard income (NET LOSS), then you will NOT owe any taxes.

4) If your billiard income on Schedule C is MORE than your billiard expenses (NET PROFIT), then you WILL have to pay taxes, but not necessarily on the full amount of billiard income, only the difference between what you made and what your expenses were.

If your billiard expenses are MORE than your billiard income, then you have what is considered a NET LOSS for the year. You can deduct that NET LOSS from your other job income from your tax return. This means that you actually save money in taxes because you had a NET LOSS from billiards. This can only be done if the IRS considers your billiard activity to be a legitimate business. In order to be considered legitimate, your billiard activity must show a NET PROFIT for any 3 years out of a 5 year period. If it does, there is no problem. If it doesn't, then the IRS can consider your billiard activity a HOBBY, and will not allow you to deduct your NET LOSS from your regular or other income on your tax return. You may also have to pay the IRS any taxes that you would have paid if you did not deduct your NET LOSS from your regular or other income. So be careful if you decide to deduct your NET LOSS from your regular or other income.

If you decide NOT to deduct your NET LOSS from your regular or other income, then there is no problem. You simply pay no additional taxes that year. If you make a NET PROFIT, then you pay the taxes you owe on the NET PROFIT for the year.

That's basically all you need to know. Now that wasn't too hard, was it? If you have any questions, please consult a CPA.