

## **Abstract**

The purpose of this research is to understand what factors influence taxpayer's compliance with reporting requirements for gambling winnings and losses. Tax non-compliance is of great importance because of its effects on government revenues. In the primary theoretical framework used in economics, the study of noncompliance has been evaluated using the deterrence theory which predicts taxpayers will perform a cost-benefit analysis of noncompliance. It is hypothesized that the complexity of the tax return, the requirement of adequate documentation by the IRS, the probability of being audited and the tax education of taxpayers all play a role in taxpayer compliance. Through a study conducted with business students at the University of Vermont, it has been found that the complexity of the tax form has a significant impact on taxpayer reporting. This finding provides an important contribution to tax compliance literature by suggesting that by simplifying the process of reporting gambling winnings and losses, a larger proportion of taxpayers may be more apt to report.