

# Tax Treatment of Gambling Earnings for Individuals

On January 16, 2025, [Cosit Consultation Solution No. 2](#) was published, consolidating the tax treatment of gambling earnings for individuals.

The details are as follows:

## Earnings from Brazilian Sources

When prizes result from games involving performance evaluation (such as poker tournaments), they are considered remuneration and are subject to withholding tax in accordance with the monthly progressive tax table. These amounts must be reported in the Annual Adjustment Declaration (“DAA”).

## Earnings from Foreign Sources

Prizes obtained through international platforms must be taxed via the “carnê-leão” system, with no deductions for expenses or offsetting of winnings and losses. The income must be reported in the DAA, along with the tax paid. Since the platforms operated abroad before regulation, this rule also applies to gambling winnings earned prior to the establishment of the regulatory framework under Law No. 14,790/2023.

## Fixed-Odds Bets

The taxation of net prizes follows a specific regime established under Article 31 of Law No. 14,790/2023. In this regard:

- | The applicable tax rate is 15% on the net prize — i.e., the positive result after deducting losses incurred in bets of the same nature made within the same calendar year.
- | Only net prizes exceeding the threshold of the first bracket of the annual progressive individual income tax (IRPF) table will be subject to taxation.
- | No advance collection is required via “carnê-leão,” nor is withholding at source applicable. The taxpayer is responsible for calculating the tax annually and making the payment by the last business day of the month following the assessment.
- | The regime also applies to modalities such as “fantasy sports,” as provided in Article 31, Paragraph 4 of Law No. 14,790/2023.

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**Souto Correa’s Gaming & Betting team is closely monitoring the issue and is available to provide further information on the matter.**