New York State Comptroller
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Sports Wagering in New York

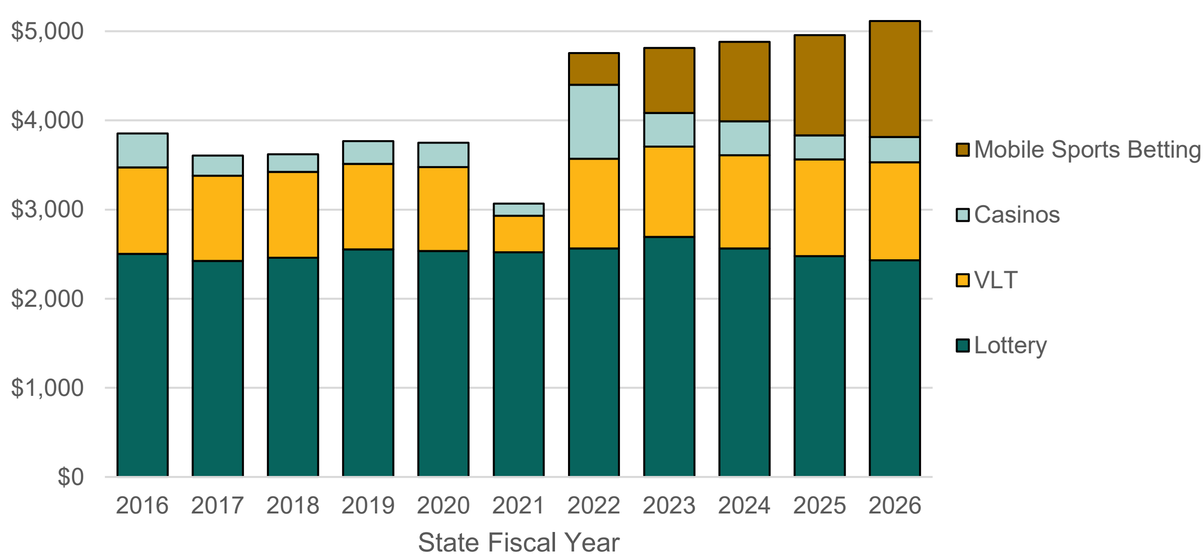
September 2026
Prepared by the Office of Budget and Policy Analysis

Overview of Gaming in New York

Currently, there are six different forms of statutorily authorized gaming in New York: horse racing, the lottery, video lottery terminals (VLTs), casinos (commercial and tribal), sports betting (mobile and retail), and interactive fantasy sports.[1] Each of these provides a source of revenue for the State, most of which is used for education purposes.[2] In State Fiscal Year 2026, the State collected over $5.1 billion from lottery sales and taxes on other gaming, $1.3 billion (32.7 percent) higher than receipts in SFY 2016.[3]

While many of these types of gaming have been legalized within the past 10 years, the lottery, which began in 1967, remains the largest source of gaming revenue to the State (See Figure 1).[4] In SFY 2026, lottery revenues accounted for 47.3 percent of total gaming revenues.[5]

Figure 1
State Revenues from Gaming, by Gaming Type, SFY 2016 – SFY 2026 (millions of dollars)



Notes: Other gaming revenues not shown include collections from the parimutuel tax and tax on interactive fantasy sports which averaged $20.4 million annually over the period shown. Casino revenues include receipts from the four commercial casinos and payments pursuant to tribal/state compacts.[6]

Source: Office of the NYS Comptroller

Since the implementation of Powerball in New York in 2010, lottery revenues have been relatively stable, with average annual growth of 1.8 percent from SFY 2010 to SFY 2023; however, since SFY 2023, they have consistently declined. In SFY 2026, they were nearly 10 percent lower than peak collections in SFY 2023.[7] Through July of the current fiscal year, lottery revenues were slightly higher, an increase of $4.4 million (0.6 percent) from the same period last year.[8]

Sports Wagering

Wagering on sporting events in New York is limited to individuals aged 21 or older and can either be done in person or electronically ("mobile sports wagering"). In-person sports wagering can only legally be done at a casino (the four statutorily authorized casinos or tribal casinos).[9]

With collections from the tax on gross gaming revenue increasing by 78.4 percent from SFY 2023 ($727.4 million) to SFY 2026 ($1.3 billion), mobile sports wagering has become the second-largest source of gaming revenue for the State.

According to the most recent report from the Gaming Commission and the Office of Addiction Services and Supports, there were nearly 7.2 million unique mobile sports wagering accounts in New York in 2025.[10] Of these accounts, 77 percent were held by individuals aged 21 to 44, with the largest share, 40 percent, by those 25 to 34.[11] However, the report does not provide the location of these accounts, only that the location is consistent with the population density of the state (e.g. the largest number of accounts would be in New York City).

Over 2.2 million transactions were placed on the mobile sports wagering platforms in 2025. The average amount wagered per account was $3,500, down from an average of $4,329 in 2024; the average amount per wager in 2025 was $42.[12] In 2025, five sports accounted for over 90 percent of all mobile sports wagers. Basketball, with over $9.1 billion in wagers, ranked the highest (See Figure 2).

Figure 2
Top 5 Sports for Mobile Sports Wagers, Calendar Year 2025

Sport	Amount Wagered (in millions)	Share of All Wagers
Basketball	$9,130.1	36.0%
Football	$5,045.5	19.9%
Baseball	$4,424.7	17.4%
Tennis	$3,019.7	11.9%
Soccer	$1,704.7	6.7%
Total	**$23,324.7**	**91.9%**

Notes: Single wagers only. Sports include both collegiate and professional levels unless specifically excluded by statute or limited by the Gaming Commission.

Sources: NYS Gaming Commission, Office of Addiction Services and Supports

Since its implementation in January 2022 through the end of SFY 2026, over $91.2 billion has been wagered through mobile sports wagering, producing gross gaming revenue of $8.3 billion.[13] As shown in Figure 3, the total amount wagered and, in turn, gross gaming revenue and the applicable tax receipts vary throughout the year, largely coinciding with major sporting events.

For example, the third and fourth quarters of New York's fiscal year (October to March) exhibit higher wagering activity, corresponding to the World Series for Major League Baseball, the Super Bowl for the National Football League, and the National Collegiate Athletic Association (NCAA) Basketball Tournament ("March Madness").[14] The second quarter (July – September) tends to have the lowest amount of wagers, reflecting the absence of high-profile events.

Figure 3
Wagering Handle, Gross Gaming Revenue, and State Tax from Mobile Sports Wagering, by Quarter, SFY 2022 – SFY 2026
(amounts in millions)

Fiscal Year Quarter	Wagering Handle	Gross Gaming Revenue	Tax on Mobile Sports Wagering
2022 Q4	$4,835.6	$320.8	$163.6
2023 Q1	$3,705.9	$286.4	$146.0
2023 Q2	$2,929.7	$316.3	$161.3
2023 Q3	$4,721.4	$435.6	$222.2
2023 Q4	$5,041.9	$420.5	$214.5
2024 Q1	$4,069.4	$394.6	$200.2
2024 Q2	$3,834.1	$369.2	$188.3
2024 Q3	$6,158.0	$505.5	$257.8
2024 Q4	$5,827.0	$509.9	$260.1
2025 Q1	$5,410.1	$521.1	$265.7
2025 Q2	$4,769.6	$470.0	$239.8
2025 Q3	$6,866.8	$558.3	$284.9
2025 Q4	$6,896.3	$593.7	$325.8
2026 Q1	$6,014.5	$648.1	$330.5
2026 Q2	$5,733.6	$527.5	$269.0
2026 Q3	$7,631.1	$779.0	$397.2
2026 Q4	$6,779.2	$643.7	$328.3
Total All Quarters	**$91,224.3**	**$8,300.3**	**$4,255.3**

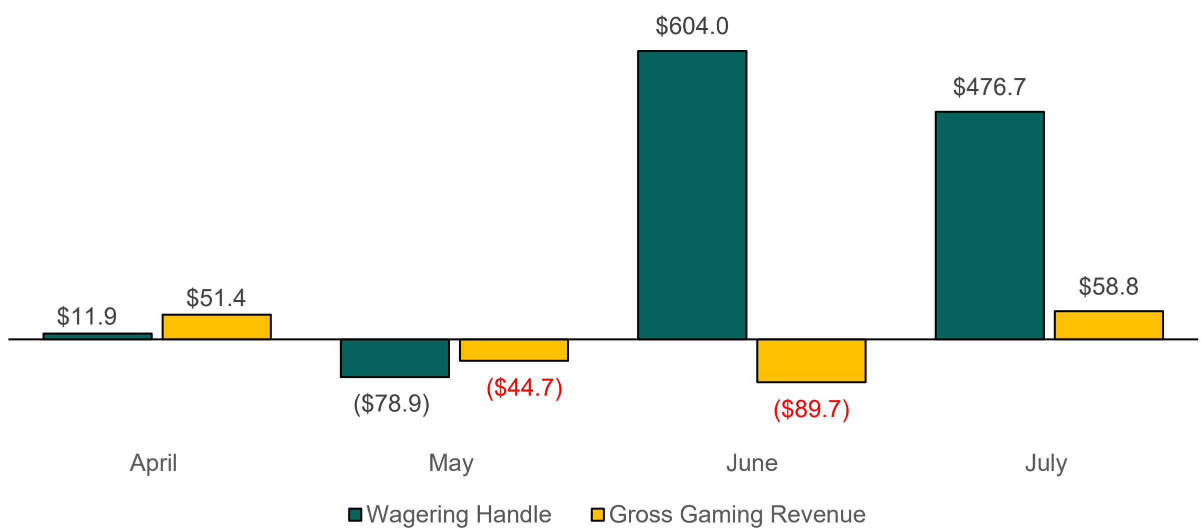
Notes: Handle is the total amount of money wagered. Gross gaming revenue is wagers received less winning wagers paid out as well as cancelled or voided wagers. The tax on mobile sports wagering is imposed at a rate of 51 percent of gross gaming revenues.

Sources: New York State Gaming Commission, OSC Calculations

Impact of the 2026 NBA Finals and the FIFA World Cup

In the first quarter of SFY 2027 (April to June), gross gaming revenue from sports wagering was $565.1 million, $83.1 million lower than in the same period in SFY 2026; state revenues were down by $38.6 million (12.5 percent).[15] Part of this decline is due to lower growth in wagers in April and May, a decline of $67 million, and, consequently, less gross gaming revenue, as shown in Figure 4.

Figure 4
Year-Over-Year Change in Wagering Handle and Gross Gaming Revenue, Year-to-Date SFY 2027
(millions of dollars)



Sources: New York State Gaming Commission, Monthly and Weekly Mobile Sports Wagering Reports

In June, however, over $2.2 billion was wagered across all authorized mobile sports wagering platforms, an increase of just over $604 million (36.6 percent) from June 2025. However, gross gaming revenue totaled $116.8 million for the month, a year-over-year decrease of $89.7 million (43.5 percent).

A potential reason for this contradiction is the New York Knicks winning streak culminating in the team's 2026 National Basketball Association (NBA) championship; NBA finals games were played from June 3 to June 13.[16] The Knicks were considered underdogs and sportsbook odds were high for the team to win.[17] During these two weeks, over $1 billion in mobile sports wagers were made, but gross gaming revenue during this time reflected a net loss of $14.4 million, a consequence of winning wagers paid out exceeding wagers received.[18]

As noted, soccer ranks among the top sports for mobile sports wagering. From June 11 to July 19, 2026, the Fédération Internationale de Football Association (FIFA) 2026 Men's World Cup (World Cup) matches were played. Excluding the week of the NBA finals (week of June 14), the wagering handle during the World Cup totaled $2.5 billion, $775.5 million (45.7 percent) higher than similar weeks in 2025. Unlike the experience in the two weeks of the NBA finals, gross gaming revenue also increased during this time, by $84.8 million (43.7 percent).[19]

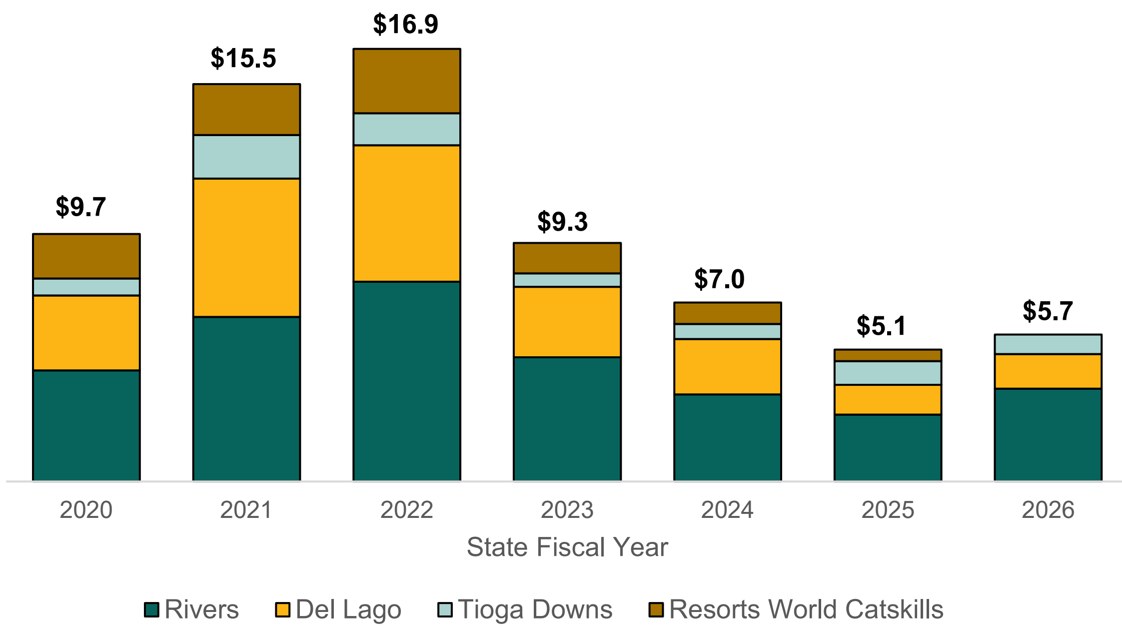
Since the end of the World Cup, weekly growth in both wagering handle and gross gaming revenue has slowed, with increases of 10.8 percent and 4.8 percent, respectively.[20]

In-Person Sports Wagering Declines

In July 2019, in-person sports wagering at the state's four commercial casinos went into effect.[21] Gross gaming revenue of in-person sports wagering is taxed at the same rate as the casino's table games (10 percent) unlike the 51 percent tax rate on mobile sports wagering.

From its implementation through SFY 2026, gross gaming revenue from in-person sports wagering totaled $69 million, less than 1 percent of the total from mobile sports wagering. In addition, since mobile sports wagering went into effect, gross gaming revenue from in-person sports wagering has declined dramatically. In SFY 2026, revenue was just one-third of peak revenue in SFY 2022 (See Figure 5).

Figure 5
Gross Gaming Revenue from In-Person Sports Wagering, by Commercial Casino, SFY 2020-SFY 2026
(millions of dollars)



Notes: As of June 2025, in-person sports wagering at Resorts World Catskills ceased; less than $500,000 was wagered in April and May 2025

Source: NYS Gaming Commission

Prediction Markets – Are They Gambling?

Derivatives are financial instruments that come in several different forms, such as futures, options, and swaps, and are contracts that derive their value from some underlying asset at a designated point in time.[22] Historically, futures contracts have their roots in the agricultural industry as a hedge for farmers relating to prices for their crops and other agricultural commodities and the costs of the inputs to produce them.[23] Most futures contracts and other derivatives are regulated by the Commodities Futures Trading Commission (CFTC).[24]

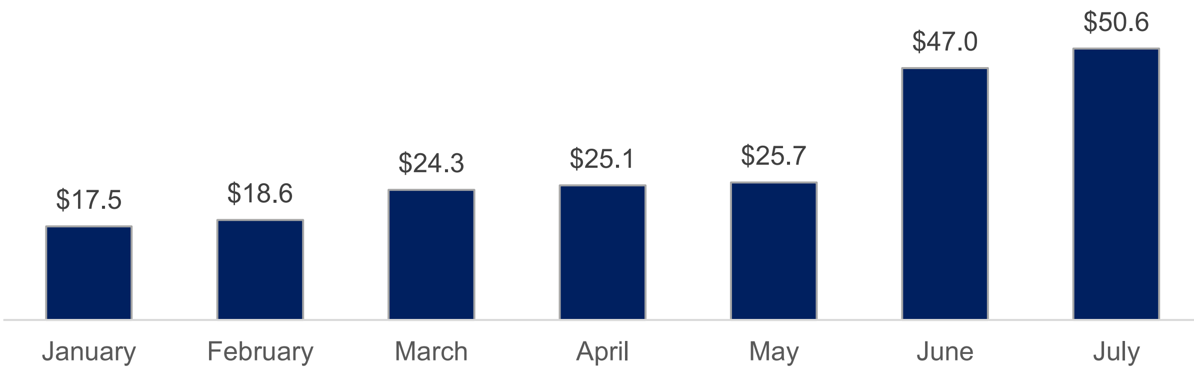
Prediction markets, such as Kalshi and Polymarket, are financial platforms where users can trade contracts that pay out based on the outcome of real-world events, including sporting events.[25] Polymarket was founded in 2020 and Kalshi, although established in 2018, did not start trading until 2024.[26] Kalshi is regulated by the CFTC whereas Polymarket is an international platform, and only has limited operations regulated by the CFTC in the U.S.[27]

Based on available data, initial trading on Kalshi in 2024 was largely on the financial markets and economics and shifted to politics and elections at the end of the year; total global trading volume from July to December 2024 was over $1.8 billion. In December 2024, sporting events were added; for 2025, total trading volume on Kalshi was nearly 13 times higher than the year prior, over $24 billion.[28]

Similar results were shown for Polymarket. In the three months of initial trading in 2020, global trading volume totaled $24.4 million. Over the next three years, total trading volume averaged $54.4 million per year. With contracts on sporting events added in June 2023, total trading volume the following year increased to $14.1 billion; in 2025, it was nearly double at $27.1 billion.[29]

As shown in Figure 6, global trading volume in these two markets has increased significantly through July 2026. In just the first quarter of the year (January – March), global trading volume for both Kalshi and Polymarket exceeded all of 2025. By July, global trading volume totaled $208.6 billion.[30]

Figure 6
Monthly Global Trading Volume, Prediction Markets, January – July 2026 (billions of dollars)



Note: Monthly trading volume for Kalshi, Polymarket Global and Polymarket US

Source: The Block

Most of the global trading volume on Kalshi is related to sporting events, 79.8 percent of the total market volume from January to July 2026. While trading on sports as a share of total trading volume is lower for Polymarket during this period, 51.2 percent, its monthly share has grown throughout the year, from 40.5 percent in January to 71.8 percent in July (See Figure 7).[31]

Figure 7
Global Trading Volume on Sporting Events, Kalshi and Polymarket, January – July 2026 (dollar amounts in millions)

	Kalshi		Polymarket	
	Amount	Share of Total Trading	Amount	Share of Total Trading
January	$8,519.7	89.2%	$3,100.8	40.5%
February	$8,522.6	81.7%	$2,958.0	37.2%
March	$9,962.9	76.7%	$4,381.7	41.4%
April	$11,652.2	79.4%	$3,982.8	44.2%
May	$12,981.4	77.2%	$3,670.4	51.9%
June	$26,599.2	80.6%	$7,373.9	68.9%
July	$29,587.4	78.5%	$5,670.0	71.8%
Total YTD	$107,825.4	79.8%	$31,137.6	51.2%

Sources: The Block, OSC Calculations

Federal Versus State Regulation of Prediction Markets

With the large volume of trading on prediction markets related to sporting events, the issue of whether these markets are gaming entities subject to oversight by the states or are financial markets to be regulated by the CFTC has come to the forefront.

In October 2025, the New York State Gaming Commission sent a cease-and-desist letter to Kalshi for “illegally operating, advertising, promoting, administering, managing, or otherwise making available an unlicensed mobile sports wagering platform in New York State in connection with any sports event…”.[32] On July 8, 2026, the U.S. District Court in Manhattan rejected Kalshi’s request for a preliminary injunction to pause the cease-and-desist order.[33] On July 31, the Governor and Attorney General announced that New York had sued Kalshi for running an illegal gambling operation in the state and ordered Kalshi to forfeit all illegal gains.[34]

New York is not alone in scrutinizing these markets. A coalition of 44 state attorneys general, including New York, sent a letter stating the CFTC does not have the power to regulate sports-related event contracts in relation to the CFTC’s proposed rule on prediction market regulation.[35] In addition, legal action has been undertaken by states to ban prediction markets while the CFTC has sued states relating to their legality in regulating prediction markets.[36]

In addition to concerns regarding the oversight of prediction markets, there are questions about how these markets are taxed. Since Kalshi and other prediction markets state they are regulated by the CFTC; their trading contracts would be treated as financial assets and, as such, subject to tax under the Internal Revenue Code, rather than as mobile sports wagering platforms subject to state gaming taxes. In addition, whereas gambling winnings are considered ordinary income fully subject to the federal income tax, the gains/losses from prediction markets may be allowed the preferential tax treatment of capital gains or futures contracts.[37] For example, the net gains may be treated under the 60/40 rule where 60 percent of the net gain is treated as a long-term capital gain and 40 percent as short-term.[38] While short-term capital gains are taxed as ordinary income, federal income tax rates of 10 percent to 37 percent, long-term capital gains are taxed at reduced rates, ranging from 0 percent to 20 percent.[39]

Problem Gambling

According to the National Council on Problem Gambling, gambling not only has financial repercussions, but social and emotional ones as well.[40] Along with the authorization to operate in New York, statute requires the commercial casinos and mobile sports wagering operators to establish problem gambling plans; places certain restrictions on advertising; requires a publicly accessible internet page dedicated to responsible play and a link to the problem gaming webpage maintained by the Office of Addiction Services and Support (OASAS); and requires all ads to “clearly and conspicuously” state a problem gambling hotline number.[41]

In addition, the legislation authorizing mobile sports wagering in New York required the Gaming Commission, in conjunction with OASAS, to submit annual reports to the Governor and the Legislature “on the impact of mobile sports wagering on problem gamblers in New York, including, to the extent practicable, an analysis of demographics which are disproportionately impacted by the problem gambling.”

The most recent report shows 791 occasions of underaged individuals attempting to establish mobile sports wagering accounts in 2025. However, there has been a significant increase in the number of alleged incidences of underaged participation in mobile sports wagering accounts, from 54 in 2023 to 1,972 in 2025.[42] The report attributes these incidences to underage individuals provided access to lawfully established accounts.

In relation to problem gambling, there were 1,887 active individuals on the self-exclusion list — those who recognize they may have a gambling problem and prohibit themselves from any gaming or gambling operation under regulatory control of the Gaming Commission.[43] However, the report does not provide the length of time these individuals opted for self-exclusion.[44] In addition, there were 2,545 calls to the HOPEline in 2025, an increase of 8.5 percent from 2020; mobile sports wagering has been the top reason for calls since 2022.[45]

Prediction Markets May Exacerbate the Problem

While prediction markets are subject to federal regulations overseeing financial integrity and participant verification, they are not subject to the state restrictions intended to curb problem gambling. While Kalshi states it has measures to prevent underage access, its minimum participation age is 18, as opposed to the minimum age of 21 for mobile sports wagering.[46]

In addition, advertising by the prediction markets is not subject to the same restrictions as other gaming opportunities. According to the American Gaming Association, the amount of advertising by prediction markets increased significantly in 2026, with 45 percent of digital sports betting ads being those for prediction markets.[47]

Conclusion

Over the past decade, New York's gaming revenues have grown by 32.7 percent, driven almost entirely by the growth in collections from mobile sports wagering since its legalization in 2022. In contrast, revenues from all other forms of gaming have collectively slipped, declining by 0.8 percent.

While it has become the second-largest source of revenue from gaming, mobile sports wagering has exhibited volatility. The 2026 NBA Finals demonstrated how large winning wagers associated with high odds can sharply reduce gross gaming revenues and, in turn, the collections from the tax on those revenues.

At the same time, activity in the prediction markets has ballooned in 2026, with most of the trading in these markets related to sporting events. Whether this activity has had an impact on mobile sports wagering in the state is currently unknown. However, its growth may pose a risk to the revenues the State collects from mobile sports wagering. In addition, the taxation of gains and losses from prediction markets is a gray area – Are they considered gains and losses from investments, like financial derivatives, or gambling winnings or losses? The answer to this question could potentially impact the State's personal income tax collections.[48]

Problem gambling remains a significant concern. The proliferation of prediction markets along with their availability to participants younger than those allowed for mobile sports wagering and prediction markets being subject to fewer advertising restrictions could exacerbate this problem. Although the most recent report on the impact of mobile sports wagering on problem gambling has provided some new data on mobile sports wagering in the state, it remains vague on its impact on problem gambling, particularly in terms of the demographics of problem gamblers. While the Gaming Commission's regulations on data collection went into effect on February 28, 2026, the 2025 report provides little additional insight. Policymaking in this area will benefit from improved data collection and timely reporting. Additionally, the increase in the portion of the tax on mobile sports wagering that will fund problem gambling services (from $6 million to $12 million in the current fiscal year) is a positive step.

The outcome of the numerous lawsuits among the states, the CFTC, and prediction markets as well as proposed regulations by the CFTC relating to the oversight of prediction markets may have significant implications for gaming revenues. Policymakers should be prepared to respond to the outcomes of these actions and to address an escalation in the need for problem gambling services.

Endnotes

[1] The state lottery includes the multi-state games - Mega Millions and Powerball; in-state draw games – Lotto, Numbers, Win 4, Take 5, Pick 10, and Quick Draw; and the instant, scratch-off games. Commercial casinos are the constitutionally authorized casinos (4 upstate and 3 downstate). Retail (or “in-person”) sports betting is only authorized at the commercial or tribal casinos. New York also allows for charitable gaming – games of chance and bingo conducted by charitable organizations.

[2] Lottery revenues are derived from ticket sales while revenues from the tribal casinos are shares of certain revenues pursuant to agreements between the state and the individual Native American tribes (‘tribal/state compacts”). Revenues received through the tribal/state compacts are deposited to the General Fund; a portion of which is allocated to the counties in which the tribal casino operates. Revenues from all other forms of gaming are in the form of taxes on gross gaming revenue. A portion of the commercial casino revenues are also allocated to the applicable localities, while a portion of mobile sports wagering receipts are dedicated to problem gambling services and youth sports programs.

[3] Office of the New York State Comptroller, Statement of Cash Flow, Governmental Funds, Comptroller’s Monthly Reports on State Funds Cash Basis of Accounting, March, SFY 2016 through SFY 2026.

[4] The State Lottery was constitutionally authorized in November 1966. However, the first tickets were not sold until June 1967. NYS Gaming Commission, 2013 Annual Report.

[5] Office of the New York State Comptroller, Statement of Cash Flow, Governmental Funds, Comptroller’s Monthly Reports on State Funds Cash Basis of Accounting, March, SFY 2016 through SFY 2026.

[6] Casino revenues in SFY 2016 include the receipt of $150 million in license fees for three of the upstate casinos (Resorts World Catskills, Rivers, and Tioga Downs). The large increase in collections from casinos in SFY 2022 largely reflects the receipt of $565 million in outstanding payments from the Seneca Nation on its slot machine revenues after a U.S. Court of Appeals ruling regarding a dispute relating to their compact. A new compact is currently being negotiated; any slot share payments are being held in escrow and not flowing to the state. While the three downstate casinos awarded licenses in December 2025 were subject to license fees of $500 million per casino, those fees were dedicated to the Metropolitan Transportation Authority and, as a result, are not shown here.

[7] While lottery revenues have realized year-over-year declines, those decreases were largely short-lived (for just one year) and associated with a smaller number of super-large jackpots in the multi-state games (Powerball or Mega Millions) which tend to attract increased participation. Lottery revenues did decline in both SFY 2020 and SFY 2021 primarily due to the economic shutdown related to the COVID-19 pandemic.

[8] Office of the New York State Comptroller, Statement of Cash Flow, Governmental Funds, Comptroller’s Monthly Reports on State Funds Cash Basis of Accounting, July 2026.

[9] When fully operational, the three downstate casinos (Bally’s Bronx, Hard Rock Metropolitan Park, and Resorts World New York City) will be authorized to offer in-person sports betting.

[10] The 2025 report does not provide any additional information as to the location of the account users.

[11] The provision of demographic information is voluntary. Of the total number of accounts, 74.2 percent provided the age of the account holder.

[12] Transactions include interactions such as reviewing account balances and scrolling through wagering options as well as placing wagers themselves.

[13] For purposes of this section, data on monthly mobile sports wagering handle and gross gaming revenue are primarily drawn from the New York State Gaming Commission, Monthly Mobile Sports Wagering Report Statewide, accessed on July 29, 2026.

[14] In addition to the high-profile sporting events during the third and fourth quarters of the State’s fiscal year, these quarters also encompass, among others, the regular seasons of both college and professional football, college and professional basketball, and professional hockey. All of which provide a larger number of wagering opportunities.

[15] Office of the New York State Comptroller, Comptroller’s Monthly Report on State Funds Cash Basis of Accounting, June 2026.

[16] National Basketball Association, NBA Finals 2026 Schedule.

[17] Holliman, James, "2026 NBA Finals betting preview: Odds, best bets and more for Knicks vs. Spurs series that tips off Wednesday", CBS Sports, June 3, 2026; Stumbaugh, Julia, "NBA Finals 2026 Betting Odds Revealed for Wemby, Spurs vs. Jalen Brunson, Knicks", The Bleacher Report, May 30, 2026.

[18] New York State Gaming Commission, Weekly Mobile Sports Wagering Report Statewide, accessed on July 29, 2026. Smith, Malik, "*Knicks bettor wins $1.1M as sportsbook takes massive hit on ladder strategy*", NY Post, May 26, 2026.

[19] New York State Gaming Commission, Weekly Mobile Sports Wagering Report Statewide, accessed on August 10, 2026.

[20] For weeks ending July 26 and August 2, 2026. New York State Gaming Commission, Weekly Mobile Sports Wagering Report Statewide, accessed on August 10, 2026.

[21] While the Native American casinos also offer in-person sports betting, data on such wagering is not available. As a result, this section focuses solely on in-person sports betting at the four, statutorily authorized, upstate casinos (del Lago, Resorts World Catskills, Rivers, and Tioga Downs). For purposes of this section, data on gross gaming revenues from in-person sports wagering is primarily drawn from the New York Gaming Commission, Statewide Monthly Commercial Casino Report, accessed on July 30, 2026.

[22] Congressional Research Service, "Introduction to Derivatives and the Commodity Futures Trading Commission", March 13, 2025.

[23] Commodities Futures Trading Commission, Agriculture at the CFTC, accessed on August 3, 2026.

[24] Congressional Research Service, "Introduction to Derivatives and the Commodity Futures Trading Commission", March 13, 2025.

[25] Diercks, Anthony M., Jared Dean Katz, and Jonathan H. Wright (2026). "Kalshi and the Rise of Macro Markets," Finance and Economics Discussion Series 2026-010. Washington: Board of Governors of the Federal Reserve System, https://doi.org/10.17016/FEDS.2026.010.

[26] Leech, Jordan, "*What is Polymarket*?", The Block, August 14, 2024 and Kalshi, Company History, accessed on August 11, 2026.

[27] Piepgrass, Stephen C. and Schloss, Zoe, "*CFTC Approval Allows Polymarket to Reenter the U.S. Market*", Regulatory Oversight, Troutman Pepper Locke, December 4, 2025.

[28] The Block, Kalshi Daily USD Volume Per Category, accessed on August 11, 2026.

[29] The Block, Polymarket Daily USD Volume Per Category, accessed on August 11, 2026.

[30] The Block, Polymarket, Polymarket US, and Kalshi Volume (Monthly), accessed on August 3, 2026.

[31] The Block, Kalshi Daily USD Volume Per Category and Polymarket Daily USD Volume Per Category, accessed on August 4, 2026.

[32] New York State Gaming Commission, Letter from Executive Director Robert Williams to Kalshi, October 24, 2025.

[33] MacDougall, Alexander, "*Federal Judge Denies Kalshi Bid to Block New York Crackdown*", Times Union, July 8, 2026.

[34] Office of Governor Kathy Hochul, *ICYMI: Governor Hochul and Attorney General James Announce New York Has Sued Kalshi for Running Illegal Gambling Operation.* Press Release, July 31, 2026.

[35] Ohio Attorney General, Prediction Markets Comment Letter, April 30, 2026.

[36] Connecticut, Michigan, New Jersey, and Nevada have either filed lawsuits or imposed bans on prediction markets. The CFTC has sued nine states to retain its jurisdiction over prediction markets (Giangiulio, Davis, "*44 states are aligned on one thing in their fight against prediction markets. It's about sports wagering*", CNBC, July 28, 2026.

[37] Shaw, Tim, "*IRS silence on prediction market winnings to cause confusion as World Cup begins",* Checkpoint News, Thomson Reuters, June 16, 2026.

[38] Ibid.

[39] For example, incomes of $96,700 or less (married, joint), the tax rate on long-term capital gains is 0 percent; for incomes between $96,700 and $600,050, the tax rate is 15 percent, 20 percent for incomes above $600,050. In comparison, if taxed as ordinary income, the tax rates would be 12 percent, 22 percent – 35 percent, or 37 percent, respectively. Internal Revenue Service, Tax Topics, Topic No. 409, Capital Gains and Losses.

[40] National Council on Problem Gambling, FAQs: What is Problem Gambling?.

[41] Title 7 and Sections 1367 and 1367-A of Article 13 of the Racing, Pari-Mutuel Wagering, and Breeding Law.

[42] New York State Gaming Commission and Office of Addiction Services and Supports, Impact of Mobile Sports Wagering on Problem Gamblers (2025), March 31, 2026 – Updated September 2, 2026.

[43] New York State Gaming Commission, Voluntary Self-Exclusion, accessed on August 19, 2026.

[44] Ibid. Individuals can opt to self-exclude from legal gambling for periods of one year, three years, five years, or a lifetime.

[45] New York State Gaming Commission and Office of Addiction Services and Supports, Impact of Mobile Sports Wagering on Problem Gamblers (20245), March 31, 20256 – Updated December 17September 2, 20256..

[46] Kalshi vs. Sportsbook Compliance, Frequently Asked Questions, accessed on August 4, 2026.

[47] American Gaming Association, Prediction Market Advertising Trends, accessed on August 5, 2026.

[48] Knibbs, Katie, "*Nobody Knows How to File Taxes on Prediction Market Wins*", WIRED, April 7, 2026.

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