

NEBRASKA

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DEPARTMENT OF REVENUE



Jim Pillen, Governor

April 13, 2026

Notice to Cash Device Distributors for WAGER Implementation

Based on the requirements set forth in the Gambling Winnings Setoff for Outstanding Debt Act (Act), [Neb. Rev. Stat. §§ 9-1301 to 9-1313](#), the Nebraska Department of Revenue (DOR) has developed a secure, electronic collection system, the Winnings and Gambling Earnings Recovery system (WAGER), for use in carrying out the purposes of the Act.

The Act requires any operator, distributor, or manufacturer of a cash device licensed under the Mechanical Amusement Device Tax Act (MAD Act) to check WAGER on every occurrence of a handpay to determine if there is a debt or an outstanding state liability owed by the winner prior to making a winnings payment that requires the operator, distributor, or manufacturer of such cash device to provide the player with an Internal Revenue Service (IRS) Federal Form 1099. If the winner is identified in WAGER, the amount of debt or outstanding state liability identified in WAGER must be deducted from the winnings payment and the amount deducted remitted to the DOR through WAGER. Handpay means any win which requires any entity holding a cash device distributor license or any operator who placed the device in operation to issue an IRS Form 1099-MISC to a player under federal law or Neb. Rev. Stat. § 77-3008(3).

Due to the increase in the IRS reporting threshold for prize winnings requiring the issuance of Form 1099 effective January 1, 2026, Form 1099 reporting for Nebraska cash device prize winnings and the subsequent check of the WAGER system is determined by the MAD Act threshold since it is lower than the federal requirement. The MAD Act requires each distributor, operator, or employee or agent of any distributor or operator of a cash device to provide an IRS Form 1099 to each player that wins a prize in excess of \$1,199 from a cash device placed into operation by such distributor or operator under [Neb. Rev. Stat. § 77-3008\(3\)](#).

Therefore, any entity holding a cash device distributor license or any operator who placed the device in operation, is required to check WAGER when Forms 1099 are required to be issued on the occurrence of a handpay for cash device winnings prior to paying out the winnings. This includes the state requirement to issue a Form 1099 for winnings more than \$1,199. Any other licensee desiring to access WAGER to complete the offset checks required under the Act must request access approval from the DOR.

This notice is being issued to allow distributor and operator licensees to plan accordingly and make any adjustments to operating procedures as needed prior to the implementation of WAGER participation for cash device distributors. The DOR will issue additional guidance on the implementation date for required use of WAGER by cash device distributors and the related start-up requirements in the near future.

Charitable Gaming Division
Brian Rockey, Director
revenue.nebraska.gov/gaming

137 NW 17th Street, PO Box 94855
Lincoln, Nebraska 68528-4855
PHONE 402-471-5937 **FAX** 402-471-5600