Sydney May 28: 2015. In the country of the United States, paying your taxes each year can be a pain, and it can also be a very confusing experience. The truth is that every individual makes his or her money in a different way, so paying taxes is not just a simple activity that is the same for everyone. The United States has specific requirements when it comes to earning money through online venues and other unique sources.

Online winnings and legality

For example, if you were to win money by playing a game on Online Casino GoWild , you may need to pay taxes on this according to the government. That gets very confusing because in the eyes of the United States government, some forms of online gambling are illegal. Why does the United States government ask that the individuals who live here pay taxes on illegal income? No one really knows for sure, but this is definitely a stipulation that the United States government makes. Any and all income must be reported to the government according to the laws in this country.

Paying taxes once a year and paying estimated taxes

In addition to the confusion surrounding winnings online, inheritance, scholarships and grants and other forms of income, it also becomes confusing when, how and how much you need to pay in taxes throughout the year. The United States is unique in that it requires its citizens to pay "ongoing payments" throughout the year. You cannot simply wait until the end of year to pay all of your taxes if you haven't already been paying them through your paychecks or salary.

Individuals who work as teachers, work in stores, are servers or waitresses or have other established jobs where they get an actual paycheck every week or every other week have it much easier than those who earn their livings by being "self-employed." This is because their income tax is taken directly out of each paycheck that they receive. They are already paying taxes and have already probably paid more than enough when it comes time for tax day in April.

This is surprising to many people who start jobs in self-employment or start winning money online. These people need to calculate their own estimated taxes and they need to pay the taxes four times a year or approximately every three months.

Why does the government say that some forms of gambling online is illegal but you still need to pay taxes on any income that you earn online? Remember that things also vary from state to state, and everything varies based on what kind of online winnings you earn. As a best practice, it is wise to talk to a lawyer or an accountant when it comes time to pay taxes each year.