



Cryptocurrency & Digital Assets

For the majority of people who have interacted with cryptocurrency, you do need to report crypto on your taxes. Here are a few situations that result in a taxable event (these are common examples, but is not a complete list):

1. Selling crypto for cash
2. Trading one cryptocurrency for another (eg Bitcoin for Ethereum, or the reverse)
3. Using cryptocurrency as payment to a merchant or for the purchase of another digital asset (eg NFT/ Non-fungible Tokens)

We cannot file a tax return without reporting cryptocurrency gains and losses for those who own or have owned them. If you have gains or losses from prior years that were not reported, it is not too late to take care of these filings with an amended return.

It is also important to begin tracking your transactions now even if you have not established any taxable events, so that your basis is easily traced for future reporting. If you are looking for more information on cryptocurrency and taxes, we have used, for our own portfolio and tax reporting, www.cointracker.io and www.accounting.com.