

How does the IRS treat Cryptocurrency & Digital Assets?

The IRS treats cryptocurrency as property for federal tax purposes. This means, depending on your situation, cryptocurrency and digital assets could be treated as business property, investment property, or personal property. For example, if you mine cryptocurrency as part of a trade or business, it will be considered business property. Because cryptocurrency is property (as opposed to currency) in the eyes of the IRS, you must recognize gain or loss every time cryptocurrency is exchanged for goods or services, even if buy a cup of coffee from Starbucks.

| Please answer each question by placing an "X" in the box. | | Yes | No |
|---|---|-----|----|
| 1 | I earned cryptocurrency through mining or by working for others | | |
| 2 | I sold, traded, or spent cryptocurrency and/or digital assets | | |
| 3 | I gave or loaned cryptocurrency | | |
| 4 | I inherited or received cryptocurrency and/or digital assets as a gift, an inheritance or in some other manner | | |
| 5 | I lost cryptocurrency and/or digital assets in some manner other than a sale | | |
| 6 | I received forked/airdropped cryptocurrency | | |
| 7 | I held cryptocurrency and/or digital assets in a foreign exchange | | |
| 8 | I purchased assets in an initial coin/initial exchange/initial DeFi/initial token or similar offering | | |
| 9 | I received interest, dividends, node rewards or similar type of income from cryptocurrency and/or digital assets activities | | |
| 10 | I participated in cryptocurrency, NFT, or other types of blockchain activities in a manner not mentioned above | | |

If you checked YES to any of the above questions, please provide detailed documentation for each transaction. Upon review, an estimated preparation fee will be given.

I hereby declare that I have disclosed the proper information to my tax preparer to follow Federal regulations for Cryptocurrency or Digital Assets.

Taxpayer #1: _____ Date: _____

Taxpayer #2: _____ Date: _____

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