



**Helpful Information:**

- Cryptocurrency, crypto assets, digital assets, etc are all terms used to describe 'virtual currency'.
- Schedule 1 of the 2019 1040 Form now asks all filers about crypto assets: "At any time during 2019, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency?"

## Tax Preparation Checklist\*

Client's name:

Date:

**1. Did your client report crypto asset related income in their tax return previously?**

Which years included crypto?

What forms were used for crypto?

Examples: 8949, Schedule C, Schedule D, Schedule 1, etc

How did they calculate items of ordinary income?

How did they report items of capital gains?

**2. What are all of the accounts that your client has with any crypto transactions?** Note: transactions include trades, transfers, withdrawals, deposits, airdrops, etc. Common sources/accounts may be from:

Crypto Exchanges  
(i.e. Coinbase, Kraken, Binance)

Crypto Wallets  
(i.e. blockchain.com, Exodus, Trezor)

OTC Desks  
(i.e. CME, Genesis, XBTO)

Any other transfers/activity

**3. Does your client have access to transaction history for all of the listed accounts?**  Yes  No

**4. Does your client have any of the following situations (as these may affect the tax treatment of the transactions)?**

Transfers (deposits/withdrawals) that were to/from a counterparty

Unique or less common assets that they do not have cost basis/proceeds

Any crypto trades related to margin/shorting

Mining Income

Staking Income

Airdrops

Deposits due to Forks

ICO Contributions

Any other income or expense related deposits/withdrawals

**5. If your client previously used a crypto tax calculator, did that calculator –**

Note: If any of these boxes are checked off, your client likely misreported their cryptocurrency transactions. This presents an opportunity for you to refine their previous returns.

Use a pricing index for valuing crypto assets

Fail to treat fees charged in crypto as dispositions

Match assets at the exchange level where the taxpayer traded on multiple exchanges

Determine cost basis using a method based on averaging

Treat ALL transfers/withdrawals/deposits as recognition events by default

Treat ALL transfers/withdrawals/deposits as NOT taxable by default