

# The Crypto Tax Cheat Sheet

What is taxable, what is not, and what triggers an audit flag

Crypto is property in the eyes of the IRS. That means many everyday actions are taxable events, even if you never cashed out to dollars. Here is the plain version so you can file clean and avoid surprises.

## Taxable events (you likely owe or must report)

- Selling crypto for cash (gain or loss)
- Trading one coin for another (yes, this is taxable)
- Spending crypto on goods or services
- Earning from staking, mining, or rewards
- Receiving airdrops or hard-fork coins
- Getting paid in crypto (counts as income)

## Not taxable (no event yet)

- Buying crypto with cash and holding it
- Moving crypto between your own wallets
- Gifting within the annual limit
- Donating to a qualified charity

**Tip:** Every trade is its own taxable event. Swapping Coin A for Coin B is a sale of A and a purchase of B, even with no cash involved.

## Records to keep

- Date acquired and date sold for each lot
- Cost basis (what you paid, including fees)
- Proceeds (what you received)
- Exchange and wallet statements
- Any 1099 forms from exchanges

## What can trigger an audit flag

- An exchange 1099 that does not match your return
- Large gains with no basis reported

- Answering the digital asset question incorrectly
- Big round-number estimates instead of real records

**Tip:** Short term (held under a year) is taxed at higher rates than long term. Losses can offset gains. A preparer can help you harvest losses and report correctly.

Ready to stop guessing? A real, IRS-registered preparer handles and reviews your return. Start in about 2 minutes at [zerofusstaxes.com](https://zerofusstaxes.com) or call **689-331-5723**.

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