

**2023 DIGITAL ASSETS WORKSHEET  
INDIVIDUAL (FORM 1040)**

Name \_\_\_\_\_

Date \_\_\_\_\_

Transactions related to digital assets are taxable by law just like transactions in any other property. Taxpayers transacting with digital assets, or virtual currency, may have to report those transactions in their individual tax reporting. The sale or other exchange of digital assets, or holding digital assets as an investment, versus using digital assets or virtual currencies to pay for goods or services generally require tax reporting as required per IRS guidance.

When you sell digital assets, you must report a capital gain or loss on the sale transaction. Your capital gain or loss will be the difference between your adjusted basis in the virtual currency and the amount you received in exchange for the digital asset(s), which you report in your federal individual income tax reporting. Your basis (also known as your "cost basis") is the amount you spent to acquire the digital asset(s), including fees, commissions, and other acquisition costs.

**If you simply buy digital assets and hold them in a wallet there is no tax reporting requirement. However, if any of the following activities have occurred, you will be required to report a taxable event in your individual tax reporting:**

1. Have you been paid with digital assets or virtual currency for services provided? Yes\_\_\_No\_\_\_
2. Have you paid some else with digital assets or virtual currency for goods and/or services provided? Yes\_\_\_No\_\_\_
3. Have you sold any digital assets? Yes\_\_\_No\_\_\_
4. Have you traded one type of digital asset for a different type of digital asset? Yes\_\_\_No\_\_\_
5. Have you earned digital assets or virtual currencies through mining? Yes\_\_\_No\_\_\_

**If you have answered "Yes" to any of the above questions, please provide detailed explanations.**

Comments: