

Crypto Taxation – Applying Old Concepts in a New World

TTN CONFERENCE
AUSTIN, TX – MAY 27, 2022

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I. General



- A. Taxed as Property, not currency
- B. Receive bitcoin for goods/services
 - 1. Payee-Payor receive income based on value when transferred
 - 2. Income/loss based on basis in currency
- C. Calculation of value
 - 1. Reasonable method consistently applied

II. Income

A. Sale

1. Where taxed?

B. Mining

1. Mining Income
2. Place of Sale?



III. Sale at Gain



Capital
Gain

Holding
Period

Tax Rate

IV. Sale at Loss

A. Capital Loss

1. \$3,000 rule



2. Abandonment

B. Wash Sale Rules?

1. Applies to “stock and securities”

2. Is crypto a “security”

3. 1/1/2023 it is a “specific security” for reporting purposes.

4. 1236(c)



V. Futures Contracts

- A. Mark to Market
- B. 60% Capital Gain/40% ordinary income
- C. U.S./Foreign exchange?



VI. Sales Tax

- A. Cryptocurrency
- B. NFTs



VI. Net Investment Income



- A. Sale of Crypto
- B. Chain Splits
- C. Mining

VII. Donations to Charity

- A. Appraisal required if over \$5,000
- B. Donation (reduced by gain) if to a private foundation

