The 1099-DA Crypto Tax Checklist

Crypto exchanges now report your sales to the IRS on Form 1099-DA, often without your cost basis. Work through this list before you file.

> **The trap:** coins bought before 2026, or moved into an exchange from another wallet or exchange, are usually reported with no cost basis. If you copy the form as-is, the entire sale price can look like profit.

1 · GATHER

- [ ] **Every Form 1099-DA** you received, plus any corrected forms that arrive later.
- [ ] **Complete transaction histories (CSV)** from every exchange you've used, including any that didn't issue a form.
- [ ] **Wallet addresses** for every self-custody wallet.
- [ ] **Purchase records** for coins you moved into an exchange: where, when and the price you paid.
- [ ] **Staking, mining and airdrop records**, with the value when you received them.

2 · RECONCILE

- [ ] Match **every 1099-DA line** to a transaction in your own records.
- [ ] Flag every sale with **blank or $0 cost basis**.
- [ ] Confirm **transfers between your own accounts** are not treated as sales.
- [ ] Track cost basis **wallet by wallet**, as required since January 1, 2025, not pooled across accounts.
- [ ] Note **which units you sold**. If you didn't identify them, first-in, first-out (FIFO) generally applies.

3 · REPORT

- [ ] Report each sale on **Form 8949** in the digital-asset boxes: **G, H or I** for short-term, **J, K or L** for long-term.
- [ ] Where the 1099-DA shows no basis or the wrong basis, report your **correct basis** and keep the support.
- [ ] Report **staking, mining and airdrop income** as ordinary income at fair market value when you gain control of it.
- [ ] Answer the **digital asset question** on Form 1040 accurately.
- [ ] Include **self-custody and DeFi activity**. It is taxable even when no 1099-DA is issued.

4 · STABLECOINS AND COINBASE USDC

- [ ] Stablecoins are **property, not cash**. Selling or swapping them is a taxable disposition, even at $1.
- [ ] **USDC you bought on Coinbase** with dollars: Coinbase has the purchase record, so its tax tools can track the basis.
- [ ] **USDC you transferred in** shows as missing basis. Coinbase will not assume $1 per USDC acquired elsewhere.
- [ ] In Coinbase's **Taxes** section, review transfers with missing cost basis and supply the basis from your records or your crypto tax software.
- [ ] Whatever the form shows, your **Form 8949** should reflect the actual basis.

5 · PLAN AHEAD

- [ ] Through **December 31, 2026**, you may identify the specific units you sell in your own records (IRS Notice 2026-20). **Before 2027**, set your lot method or standing order with each exchange.
- [ ] For coins bought **on or after January 1, 2026** and held in the same account, brokers generally report basis. Keep your own records anyway.
- [ ] Large gains? Make **estimated tax payments** to avoid underpayment penalties.
- [ ] Capital losses offset gains plus up to **$3,000** of other income per year ($1,500 if married filing separately). The rest carries forward.
- [ ] The **wash-sale rule** does not currently apply to crypto. Proposed legislation would change that, so check before relying on it.

6 · IF THE IRS WRITES TO YOU

- [ ] **Letter 6173** requires a response by its deadline. **Letters 6174 and 6174-A** ask you to review and, if needed, correct your returns.
- [ ] A **CP2000** based on a 1099-DA may treat the entire sale price as gain. Check your basis before agreeing or paying.
- [ ] Respond by every deadline, even if you disagree.

Need help reconciling your 1099-DA?

Darian Accounting LLC · Payam Darian, CPA, MBA
Based in Mine Hill, NJ · darianaccounting.com

CALL 201.228.0655
EMAIL info@darianaccounting.com
BOOK Schedule a consultation

General information as of October 2026. Not tax advice for your specific situation. Tax rules change frequently; consult a tax professional before acting.