IRS

# Tax professionals can prepare now to assist their clients with reporting proceeds from certain digital asset transactions

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The Internal Revenue Service reminds tax professionals that the new form brokers use to furnish statements including proceeds from certain digital asset transactions will be sent to taxpayers in early 2026 but there are steps that can be taken now to help get their clients get ready.

The new Form 1099-DA PDF is used by brokers to report certain transactions involving digital assets that took place beginning in calendar year 2025. Brokers will need to provide a statement reflecting the information reported to the IRS on Form 1099-DA to taxpayers by Feb. 17.

The statements reflecting information reported on Form 1099-DA are different from some other statements taxpayers receive showing information reported on other IRS forms because most of these statements will not provide the basis of the taxpayers' digital asset transaction(s) for the 2025 tax year. Basis must be calculated by taxpayers before their 2025 tax return can be filed.

Detailed recordkeeping is critical for reporting the basis accurately on behalf of taxpayers. Decentralized Finance (DeFi) brokers and some foreign brokers are not required to file a Form 1099-DA with the IRS or furnish a statement to taxpayers showing their digital asset transaction(s). Taxpayers should understand their tax obligations whether or not they received a statement showing all taxable digital asset activities.

Tax professionals who use software to assist clients should ensure they're using trusted software and pay close attention to taxpayer information. It's important that all data used to calculate basis is complete and accurate.

At a minimum, tax professionals should:

- Review and reconcile all transactions which may be spread over multiple exchanges, wallets, and accounts
- Apply appropriate cost basis methods and document findings
- Accurately categorize income events

For more information visit Digital assets, or review Instructions for Form 1099-DA, Digital asset proceeds from broker transactions PDF.

*News items may not be updated after their release. Please verify the date before relying on the language.*