

Count on Sheep Sees Uptick in Crypto Tax Planning as 1099-DA Triggers End-of-Year Scramble

SAN DIEGO, CA, UNITED STATES, November 19, 2025 /EINPresswire.com/ -- [Count On Sheep](#), the crypto-native accounting firm created to help crypto investors, announced today that it is seeing an uptick in crypto investors, particularly affluent investors, being proactive and coming in to discuss 2025 taxes before the end of the year. With the IRS introducing new digital asset reporting rules and crypto markets entering another volatile cycle, investors are turning to tax professionals earlier than ever to get their books in order before 2025 closes.

Count on Sheep is seeing a rise in proactive tax planning, particularly among high-net-worth individuals, driven by the arrival of Form 1099-DA. The IRS announced earlier this year that for 2025, it will require exchanges to report digital asset transactions over \$600 on Form 1099-DA. However, the form does not include cost basis data, which could leave taxpayers vulnerable to inflated tax bills unless they provide that information themselves.

What this means is that, with the 1099-DA form excluding cost basis information, they will need to be proactive to protect themselves from the IRS assigning a 0 percent cost basis, which could leave them taxed on 100 percent of their proceeds and facing inflated tax bills.

"We are seeing that most investors do not realize the cost basis gap and they are leaving themselves open to paying 100% to the IRS," said Nick Slettengren, founder of Count On Sheep. "When Form 1099-DA lands without your cost basis, the IRS assigns it a value of zero. That means you could end up paying tax on the entire sale, not just your gains. If you sold \$25,000 in crypto and can't prove your original cost, you're on the hook for tax on all of it. That's what we're trying to prevent."

Count On Sheep works with retail investors to recover lost cost basis data and build audit-ready tax reports before the January reporting season begins. As the firm ramps up for year-end, it's also seeing a clear pattern emerge: the most financially prepared investors aren't waiting.

"We're seeing our high-net-worth clients move early," Slettengren added. "They're not waiting for April to deal with taxes; they're coming in now to identify losses and harvest them before the window closes. They already took their gains when the market was high. Now they're using the dip to balance out their tax liability. It's smart, proactive, and something every investor should be thinking about."

With chatter in Washington suggesting the crypto wash-sale loophole could close by 2026, Count on Sheep believes this may be the last year to take full advantage of tax-loss harvesting rules unique to digital assets. The firm has staffed up ahead of the expected influx of clients seeking clarity on how to navigate crypto taxation amid changing regulations and market whiplash.

Count on Sheep is available for media interviews, expert commentary, and educational segments about crypto tax strategy, the implications of Form 1099-DA, and how everyday investors, not just whales, can prepare for the coming changes.

About Count On Sheep

Count On Sheep is a leading, venture-backed crypto tax services firm based in San Diego, California, serving clients in nearly every major nation. Since 2022, the firm has specialized in crypto tax preparation for individuals, as well as digital asset reconciliation. Its core team of highly skilled former Big Four accountants, leverage the proprietary Digital Asset Reconciliation (DAR) process to perform forensic blockchain analysis, accurately tracking cost basis across the blockchain. This ensures confident, compliant reporting of crypto activities while optimizing tax savings and identifying tax-loss harvesting opportunities for individual portfolio investors through their crypto reports. Count on Sheep is a service that organizes all your portfolio into a leading tax platform, reconciles your trades, and populates your 8949, Schedule D, and Schedule 1 data for download and handoff to your CPA to file with your taxes. The firm's expertise spans NFTs, DeFi, liquidity pools, yield farming, staking, mining, and all other transactions within the crypto space.

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