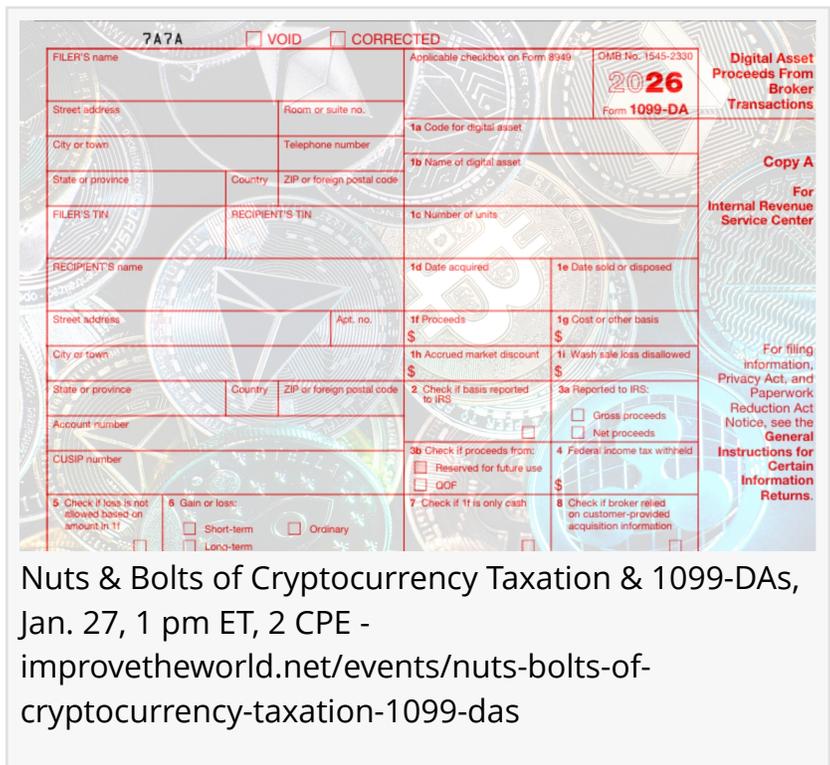


# IRS Tightens Crypto Reporting as 1099-DA Comes Online

*IRS Tightens Crypto Reporting as 1099-DA Comes Online: New IRS Form 1099-DA raises the stakes for compliance—and tax professionals are racing to prepare.*

HONOLULU, HI, UNITED STATES, January 12, 2026 /EINPresswire.com/ -- [Cryptocurrency](#) has gone from niche curiosity to mainstream economic force — and U.S. tax authorities are finally catching up.

As digital assets like Bitcoin, Ethereum, NFTs, and stablecoins become common investment choices for individuals and businesses alike, the IRS has quietly but dramatically overhauled how crypto income must be reported and taxed. But despite these changes, many taxpayers still fail to comply — and tax professionals are scrambling to keep up.



7A7A  VOID  CORRECTED

FILER'S name: Applicable checkbox on Form 8949: OMB No. 1545-2330  
 2026 Form 1099-DA Digital Asset Proceeds From Broker Transactions

Street address: Room or suite no.: 1a Code for digital asset  
 City or town: Telephone number: 1b Name of digital asset  
 State or province: Country: ZIP or foreign postal code: 1c Number of units  
 FILER'S TIN: RECIPIENT'S TIN: 1d Date acquired: 1e Date sold or disposed

RECIPIENT'S name: 1f Proceeds \$: 1g Cost or other basis \$  
 Street address: Apt. no.: 1h Accrued market discount \$: 1i Wash sale loss disallowed \$  
 City or town: 2 Check if basis reported to IRS: 3a Reported to IRS:  
 State or province: Country: ZIP or foreign postal code:  Gross proceeds  
 Net proceeds  
 Account number: 3b Check if proceeds from: 4 Federal income tax withheld \$  
 Reserved for future use  
 QOF  
 CUSIP number: 7 Check if it is only cash: 8 Check if broker relied on customer-provided acquisition information

5 Check if loss is not allowed based on amount in 1f:  Short-term  Long-term  Ordinary  Long-term

For filing information, Privacy Act, and Paperwork Reduction Act Notice, see the General Instructions for Certain Information Returns.

Nuts & Bolts of Cryptocurrency Taxation & 1099-DAs, Jan. 27, 1 pm ET, 2 CPE - [improvetheworld.net/events/nuts-bolts-of-cryptocurrency-taxation-1099-das](https://improvetheworld.net/events/nuts-bolts-of-cryptocurrency-taxation-1099-das)

“

In the eyes of the IRS ... all those digital assets are treated as property...”

*Shehan Chandrasekera, Head of Tax Strategy at CoinTracker, with Cryptonews*

That’s the backdrop for [Nuts & Bolts of Cryptocurrency Taxation & 1099-DAs](#), a live 2-hour webinar scheduled Jan. 27, 2026, that promises to give accountants and tax advisors a practical roadmap to navigate this rapidly evolving terrain (<https://improvetheworld.net/events/nuts-bolts-of-cryptocurrency-taxation-1099-das>).

\*Why [Crypto Taxes](#) Are Suddenly a Big Deal\*

For years, the IRS has asked a simple “yes/no” question on

tax returns: Did you receive, sell, exchange, or otherwise dispose of a digital asset during the tax year? — but there was often nothing on the return to independently verify that answer.

Now, that’s changed.

Beginning with tax year 2025, the IRS has rolled out Form 1099-DA — the first standardized reporting form for digital asset transactions. Brokers, exchanges, and other custodial services must issue 1099-DA forms for many crypto transactions, reporting those details not just to taxpayers but also directly to the IRS.

This marks a fundamental shift toward third-party verification of crypto tax data — much like how stocks are reported on Form 1099-B — and means the IRS will soon have a much clearer picture of who's doing what in the crypto marketplace.

But there's a twist: for the 2025 tax year, brokers will report gross proceeds only on 1099-DAs, not cost basis — complicating tax compliance and opening the door for reporting mismatches.

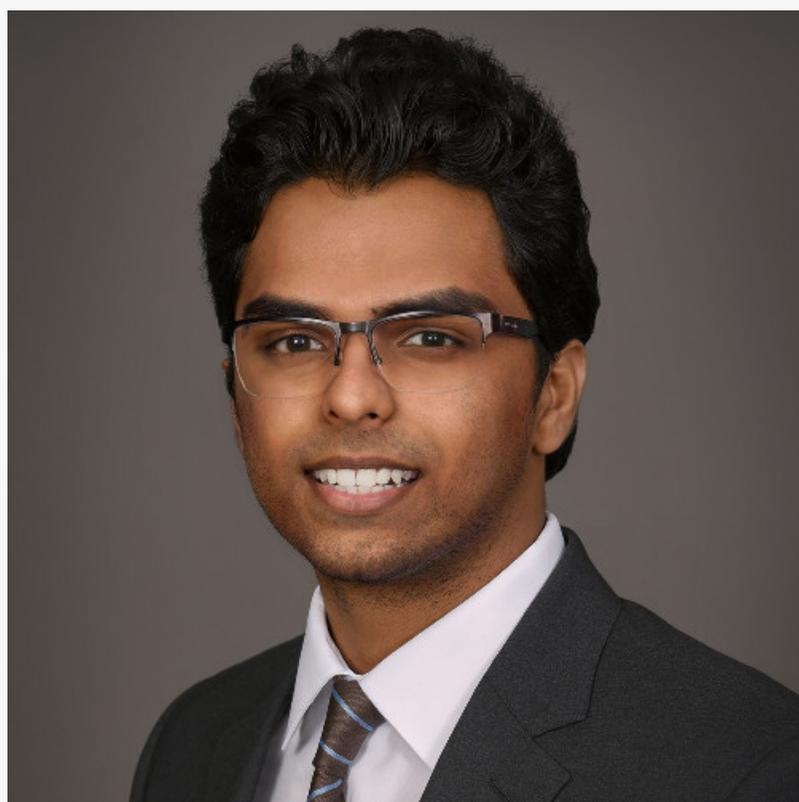
That's why understanding the nuances of 1099-DAs and how to reconcile them on clients' returns is now essential for any tax professional.

**\*Compliance Challenges Are Real — and Costly\***

Even with new reporting rules going into effect, compliance remains a major challenge.

Analysts estimate that only about 25% of crypto investors voluntarily reported their crypto taxes in recent years, leaving a large compliance gap and putting many taxpayers at risk of IRS notices or audits.

Some tax experts believe that standardized reporting may significantly improve compliance in



Chandrasekera will present Cryptocurrency Taxation: Nuts, Bolts and Tax Law Updates



Center for Accounting Transformation Stacked Blue Type

the coming years. One IRS-linked estimate suggests that “roughly 75% of crypto holders have not been fully compliant,” and that new third-party reporting like 1099-DA could help close the gap.

Meanwhile, IRS enforcement action against unreported crypto income has been escalating. For example, the agency now targets unreported crypto transactions as a potential audit red flag, alongside offshore assets and complex business returns.

With this backdrop, advising clients on crypto tax reporting — especially in the face of new forms, new regulations, and increasingly sophisticated IRS matching capabilities — has never been more critical.

**\*What Tax Pros Need to Know in 2026\***

Here’s a quick snapshot of what’s changing:

--Form 1099-DA: Starting with transactions in 2025 (forms issued early 2026), brokers will report digital asset sale proceeds to taxpayers and the IRS.

--Cost Basis Reporting: For 2025 tax year forms, cost basis reporting is optional. That means taxpayers and their advisors often must reconstruct acquisition costs to avoid underpayment issues.

--Expanded Reporting Soon: Beginning with tax year 2026, 1099-DA reporting expands to include basis information for covered assets — further aligning crypto with traditional securities reporting.

These changes create both challenges and opportunities. Advisors who understand how to interpret, reconcile, and plan around these forms can help clients avoid IRS notices, reduce audit risk, and optimize reporting outcomes.

That’s where Shehan Chandrasekera, CPA comes in.

His upcoming webinar, Nuts & Bolts of Cryptocurrency Taxation & 1099-DAs, is designed to cut through the confusion and give tax professionals clear, usable strategies to navigate the evolving crypto tax landscape.

What you’ll learn:

- The basics of digital asset taxation and how the IRS views cryptocurrency as property;
- How Form 1099-DA works and what it reports (and doesn’t report);
- Techniques for reconciling 1099-DA reporting with clients’ records; and
- Practical planning tips to help clients prepare for 2026 and beyond.

With IRS reporting rules finally catching up to the realities of digital asset trading and blockchain transactions, 2026 marks a turning point for crypto tax compliance. For tax professionals,

mastering these changes isn't just a competitive edge — it's a service clients increasingly demand.

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