FREE CLIENT RESOURCE

Crypto Taxable Events Reference

A quick sorting guide for common U.S. federal digital asset transactions. Use the facts and records for the actual transaction. Similar-looking on-chain activity can have different tax results.

Two questions to ask first

Did ownership of property change, and did you receive income or another asset in return? Then document the date, quantity, value, fees, wallet or account, and source record.

Transaction	Starting point	Records to keep
Sell digital assets for cash	Usually a taxable disposition. Gain or loss generally compares proceeds with adjusted basis.	Trade confirmation, proceeds, fees, basis lot, holding period, Form 1099-DA if issued.
Trade one digital asset for another	Usually a taxable disposition of the asset given up, even if no cash is received.	Both asset quantities, date and time, fair market value, fees, wallet or exchange record.
Spend digital assets	Usually a taxable disposition plus the purchase of the item or service.	Receipt or invoice, asset quantity, value, basis, fees, business or personal purpose.
Receive staking validation rewards	Income when a cash-method taxpayer gains dominion and control under Revenue Ruling 2023-14. Later disposal is a separate event.	Date and time of control, quantity, supported fair market value, wallet or platform record.
Mine or earn digital assets	Generally income when received or when dominion and control exists. Business and self-employment treatment depends on facts.	Payout records, date and time, quantity, value source, related expenses, business records.
Receive a hard-fork asset	Income may arise when a new asset is received and dominion and control exists. A protocol change without a received asset is different.	Chain event, wallet control, receipt time, quantity, access evidence, value support.
Receive an airdrop or promotion	Often income when dominion and control exists, but facts and restrictions matter.	Terms, eligibility, receipt date and time, restrictions, quantity, value support.
Pay a worker or contractor	Usually compensation and also a disposition by the payer. Payroll and information-reporting rules may apply.	Agreement, invoice or payroll record, date, quantity, value, recipient, basis and fees.

Usually not taxable, or needs review

Do not use a generic label when the legal rights, ownership, or transaction mechanics are unclear.

Transaction	Starting point	Why the facts matter
Buy and hold with cash	Buying and holding is generally not a taxable disposition.	Keep cost, fees, date and time, quantity, account, and funding record for future basis.
Transfer between accounts you control	Generally not a sale if beneficial ownership does not change.	Match both sides. Document ownership, transaction hash, quantity, and fees. Do not discard the basis history.
Send or receive a gift	The transfer itself may not create income to the recipient, but gift tax, basis, holding period, and reporting rules can apply.	Donor, recipient, relationship, date, value, original basis, holding period, gift return or appraisal support when relevant.
Donate digital assets	A qualified charitable contribution may be deductible, subject to appraisal, substantiation, basis, holding-period, and limitation rules.	Charity acknowledgment, appraisal when required, Form 8283 support, date, quantity, value, basis and holding period.
Wrap, bridge, migrate, or redeem	No single blanket answer covers every structure.	Contract terms, legal rights before and after, assets transferred and received, control, market values, fees and transaction hashes.
Add or remove liquidity	Tax treatment can depend on the rights or tokens received and how the pool works.	Pool contract, LP token details, deposits, withdrawals, rewards, fees, values, wallet history.
Lend, borrow, or use collateral	The agreement may or may not transfer tax ownership. Interest, rewards, liquidations, and debt events add separate issues.	Agreement, collateral record, ownership rights, payments, liquidations, values and platform statements.
Frozen or bankrupt platform	Account restrictions or bankruptcy do not create one automatic loss rule. Income credited before freezing can still matter.	Claims, statements, user agreement, access dates, recovery payments, basis, court or trustee notices.
NFT transaction	Sales and exchanges can be taxable. Creator income, royalties, inventory, business use, and possible collectible treatment require separate review.	Contract, token ID, purchase or sale record, fees, royalties, creation costs, use and holding period.

Cost basis after 2025

Specific identification has timing, broker, and recordkeeping requirements. If valid identification is not made, IRS default identification rules can apply within the wallet or account. A spreadsheet label such as HIFO does not create support by itself.

Primary references

- IRS digital assets hub
- IRS digital asset transaction FAQs
- Revenue Ruling 2023-14 on staking rewards
- IRS CCA 202444009 on frozen platform rewards

Need a second set of eyes?

If your books or crypto records do not tie out, start with a short fit check. Contact Bugaboo Bookkeeping. This resource is general information, not legal or tax advice.