

## Draft Version of Form 1099-DA Released

### Cross References

- <https://www.irs.gov/pub/irs-dft/f1099da--dft.pdf>

The IRS has released the draft version of Form 1099-DA, *Digital Asset Proceeds From Broker Transactions*, for the 2025 tax year.

Beginning in 2025, brokers must report proceeds from (and in some cases, basis for) digital asset dispositions to taxpayers and the IRS on Form 1099-DA. Taxpayers may be required to recognize gain from these dispositions of digital assets.

Reporting is also required when a broker knows or has reason to know that a corporation in which the taxpayer owns a digital asset that is also stock has had a reportable change in control or capital structure. The taxpayer may be required to recognize gain from the receipt of cash, services, digital assets, or other property that was exchanged for a digital asset that is also the corporation's stock.

If a taxpayer receives a Form 1099-DA, it means the taxpayer sold, exchanged, or otherwise disposed of a financial interest in a digital asset. Check the "Yes" box next to the question on page 1 of Form 1040, and report the gain or loss on Form 8949, *Sales and Other Dispositions of Capital Assets*.

Brokers are also required to report the basis of the digital asset sold, exchanged, or otherwise disposed of in Box 1g of Form 1099-DA, unless box 10a is checked. Box 10a is checked when the cost or other basis is unknown to the broker, or the digital assets were acquired prior to January 1, 2023, or sold prior to January 1, 2026. A broker may not know the cost basis if it did not provide hosted wallet services for the digital asset, the digital asset was transferred in to the broker, or it was acquired prior to 2023.