

Tax Season Updates

NATP

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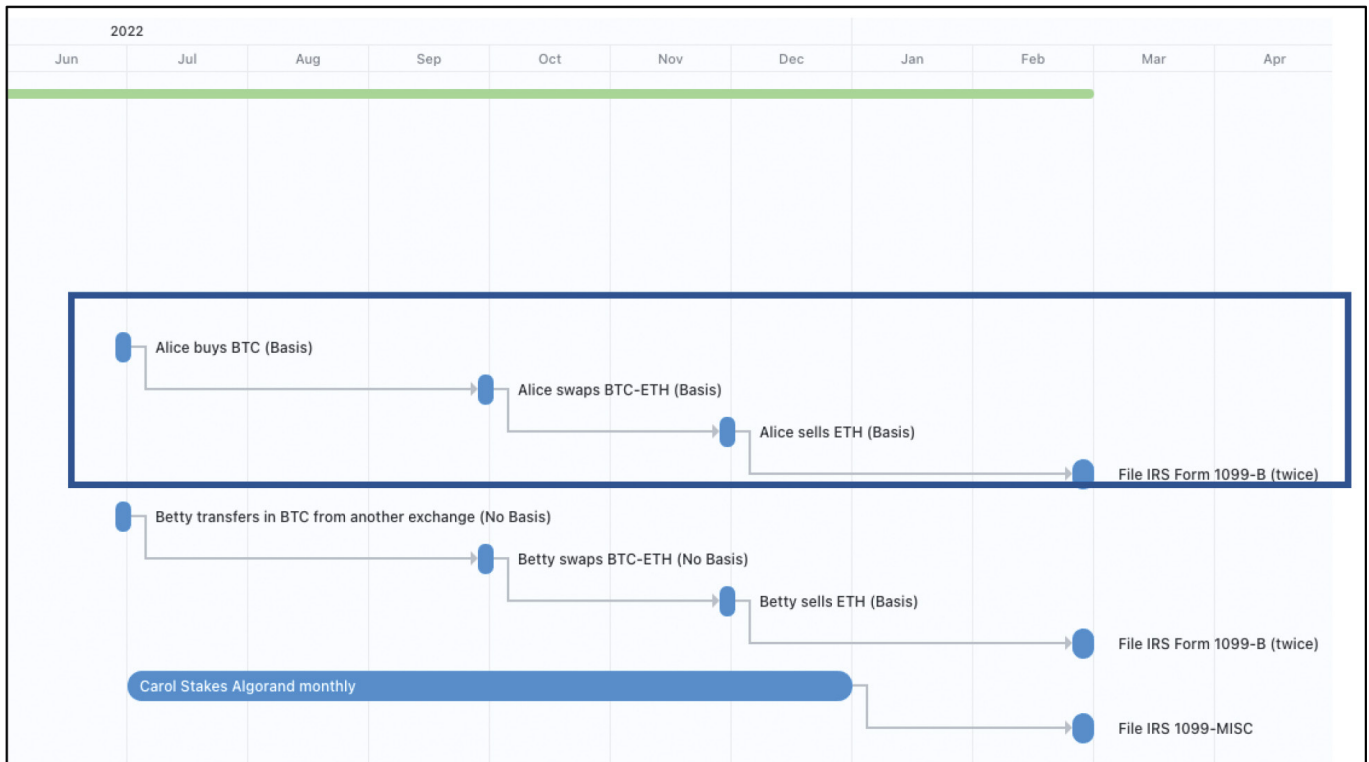
Virtual Currency Supplement

This supplement includes the example forms in the slide presentation that are not in the text.

Form 8300

IRS Form 8300 (Rev. August 2014)		Report of Cash Payments Over \$10,000 Received in a Trade or Business ▶ See instructions for definition of cash. ▶ Use this form for transactions occurring after August 29, 2014. Do not use prior versions after this date.				FinCEN Form 8300 (Rev. August 2014) OMB No. 1506-0018 Department of the Treasury Financial Crimes Enforcement Network	
Department of the Treasury Internal Revenue Service		For Privacy Act and Paperwork Reduction Act Notice, see the last page.					
1 Check appropriate box(es) if: a <input type="checkbox"/> Amends prior report; b <input type="checkbox"/> Suspicious transaction.							
Part I Identity of Individual From Whom the Cash Was Received							
2 If more than one individual is involved, check here and see instructions ▶							
3 Last name		4 First name		5 M.I.		6 Taxpayer identification number	
7 Address (number, street, and apt. or suite no.)				8 Date of birth (see instructions)		M M D D Y Y Y Y	
9 City		10 State	11 ZIP code	12 Country (if not U.S.)		13 Occupation, profession, or business	
14 Identifying document (ID)		a Describe ID ▶				b Issued by ▶	
		c Number ▶					
Part II Person on Whose Behalf This Transaction Was Conducted							
15 If this transaction was conducted on behalf of more than one person, check here and see instructions ▶							
16 Individual's last name or organization's name			17 First name		18 M.I.		19 Taxpayer identification number
20 Doing business as (DBA) name (see instructions)						Employer identification number	
21 Address (number, street, and apt. or suite no.)				22 Occupation, profession, or business			
23 City		24 State	25 ZIP code	26 Country (if not U.S.)			
27 Alien identification (ID)		a Describe ID ▶				b Issued by ▶	
		c Number ▶					
Part III Description of Transaction and Method of Payment							
28 Date cash received		29 Total cash received		30 If cash was received in more than one payment, check here ▶		31 Total price if different from item 29	
M M D D Y Y Y Y		\$.00		<input type="checkbox"/>		\$.00	
32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29) (see instructions):							
a U.S. currency		\$.00		(Amount in \$100 bills or higher \$.00)			
b Foreign currency		\$.00		(Country ▶)			
c Cashier's check(s)		\$.00		} Issuer's name(s) and serial number(s) of the monetary instrument(s) ▶			
d Money order(s)		\$.00					
e Bank draft(s)		\$.00					
f Traveler's check(s)		\$.00					
33 Type of transaction				34 Specific description of property or service shown in 33. Give serial or registration number, address, docket number, etc. ▶			
a <input type="checkbox"/> Personal property purchased		f <input type="checkbox"/> Debt obligations paid					
b <input type="checkbox"/> Real property purchased		g <input type="checkbox"/> Exchange of cash					
c <input type="checkbox"/> Personal services provided		h <input type="checkbox"/> Escrow or trust funds					
d <input type="checkbox"/> Business services provided		i <input type="checkbox"/> Bail received by court clerks					
e <input type="checkbox"/> Intangible property purchased		j <input type="checkbox"/> Other (specify in item 34) ▶					
Part IV Business That Received Cash							
35 Name of business that received cash						36 Employer identification number	
37 Address (number, street, and apt. or suite no.)						Social security number	
38 City		39 State	40 ZIP code	41 Nature of your business			
42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct, and complete.							
Signature ▶		Authorized official				Title ▶	
43 Date of signature		M M D D Y Y Y Y		44 Type or print name of contact person		45 Contact telephone number	
IRS Form 8300 (Rev. 8-2014)		Cat. No. 62133S		FinCEN Form 8300 (Rev. 8-2014)			

Transactions – Alice



Form 1099-B for the trade of BTC for ETH, reported as a sale of BTC

7979 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Sprocket Financial, LLC 15 E. Main Street Treynor, IA 51575			Applicable checkbox on Form 8949 A (basis reported)		OMB No. 1545-0715 2022 Form 1099-B		Proceeds From Broker and Barter Exchange Transactions	
1a Description of property (Example: 100 sh. XYZ Co.) 1 Bitcoin			1b Date acquired 7-1-22		1c Date sold or disposed 10-1-22			Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns.
PAYER'S TIN 87-33846906		RECIPIENT'S TIN 123-45-6789		1d Proceeds \$ 40,000.00		1e Cost or other basis \$ 30,000		
				1f Accrued market discount \$		1g Wash sale loss disallowed \$		
RECIPIENT'S name Alice Jones			2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>		3 Check if proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>			
Street address (including apt. no.) 123 Maple Street			4 Federal income tax withheld \$		5 Check if noncovered security <input type="checkbox"/>			
City or town, state or province, country, and ZIP or foreign postal code Los Angeles, Ca 90000			6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input type="checkbox"/>		7 Check if loss is not allowed based on amount in 1d <input type="checkbox"/>			
Account number (see instructions) 98765		2nd TIN not <input type="checkbox"/>		8 Profit or (loss) realized in 2022 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2021 \$		
CUSIP number		FATCA filing requirement <input type="checkbox"/>		10 Unrealized profit or (loss) on open contracts—12/31/2022 \$		11 Aggregate profit or (loss) on contracts \$		
14 State name		15 State identification no.		16 State tax withheld \$		12 Check if basis reported to IRS <input checked="" type="checkbox"/>		
				\$		13 Bartering \$		

Form **1099-B** Cat. No. 14411V www.irs.gov/Form1099B Department of the Treasury - Internal Revenue Service
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Form 1099-B for the sale of ETH

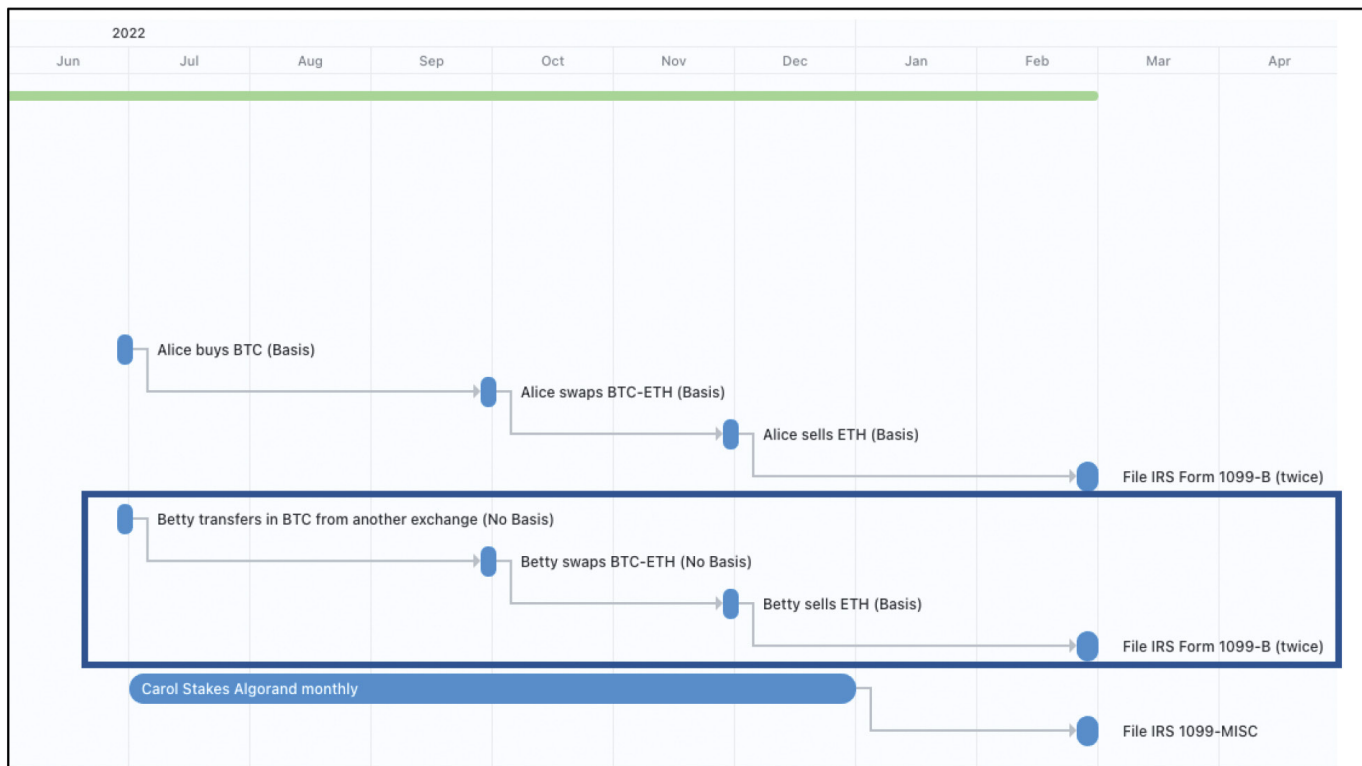
7979 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Sprocket Financial, LLC 15 E. Main Street Treynor, IA 51575			Applicable checkbox on Form 8949 A (basis reported)		OMB No. 1545-0715 2022 Form 1099-B		Proceeds From Broker and Barter Exchange Transactions
PAYER'S TIN 87-33846906			RECIPIENT'S TIN 123-45-6789		1a Description of property (Example: 100 sh. XYZ Co.) 14 Etherium (ETH)		
RECIPIENT'S name Alice Jones			1b Date acquired 10-1-22		1c Date sold or disposed 12-1-22		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns.
Street address (including apt. no.) 123 Maple Street			1d Proceeds \$ 50,000		1e Cost or other basis \$ 40,000		
City or town, state or province, country, and ZIP or foreign postal code Los Angeles, Ca 90000			1f Accrued market discount \$		1g Wash sale loss disallowed \$		
Account number (see instructions) 98765			2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>		3 Check if proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>		
CUSIP number FATCA filing requirement <input type="checkbox"/>			4 Federal income tax withheld \$		5 Check if noncovered security <input type="checkbox"/>		
14 State name 15 State identification no. 16 State tax withheld \$			6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input type="checkbox"/>		7 Check if loss is not allowed based on amount in 1d <input type="checkbox"/>		
12 Check if basis reported to IRS <input checked="" type="checkbox"/>			8 Profit or (loss) realized in 2022 on closed contracts \$		9 Unrealized profit or (loss) on open contracts—12/31/2021 \$		
13 Bartering \$			10 Unrealized profit or (loss) on open contracts—12/31/2022 \$		11 Aggregate profit or (loss) on contracts \$		
12 Check if basis reported to IRS <input checked="" type="checkbox"/>			12 Check if basis reported to IRS <input checked="" type="checkbox"/>		13 Bartering \$		

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Transactions – Betty



From 19099-B for the exchange of BTC for ETH, reported as a sale of BTC

Note: If clients cannot prove basis and holding period, the basis is \$0 and gains are short-term.

7979 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Sprocket Financial, LLC 15 E. Main Street Treynor, IA 51575		Applicable checkbox on Form 8949 B (short term basis not reported)	OMB No. 1545-0715 2022 Form 1099-B	Proceeds From Broker and Barter Exchange Transactions
PAYER'S TIN 87-33846906		RECIPIENT'S TIN 123-45-9876		1a Description of property (Example: 100 sh. XYZ Co.) 1 Bitcoin (BTC)
RECIPIENT'S name Betty Smith		1b Date acquired \$ 40,000	1c Date sold or disposed 10-1-22	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns.
Street address (including apt. no.) 456 Palm Way		1d Proceeds \$ 40,000	1e Cost or other basis \$ 0	
City or town, state or province, country, and ZIP or foreign postal code Phoenix, AZ 80000		1f Accrued market discount \$	1g Wash sale loss disallowed \$	
Account number (see instructions) 87654		2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>	3 Check if proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>	
CUSIP number FATCA filing requirement <input type="checkbox"/>		4 Federal income tax withheld \$	5 Check if noncovered security <input type="checkbox"/>	
14 State name	15 State identification no.	6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input type="checkbox"/>	7 Check if loss is not allowed based on amount in 1d <input type="checkbox"/>	
16 State tax withheld \$		8 Profit or (loss) realized in 2022 on closed contracts \$	9 Unrealized profit or (loss) on open contracts—12/31/2021 \$	
12 Check if basis reported to IRS <input type="checkbox"/>		10 Unrealized profit or (loss) on open contracts—12/31/2022 \$	11 Aggregate profit or (loss) on contracts \$	
13 Bartering \$		12 Check if basis reported to IRS <input type="checkbox"/>		

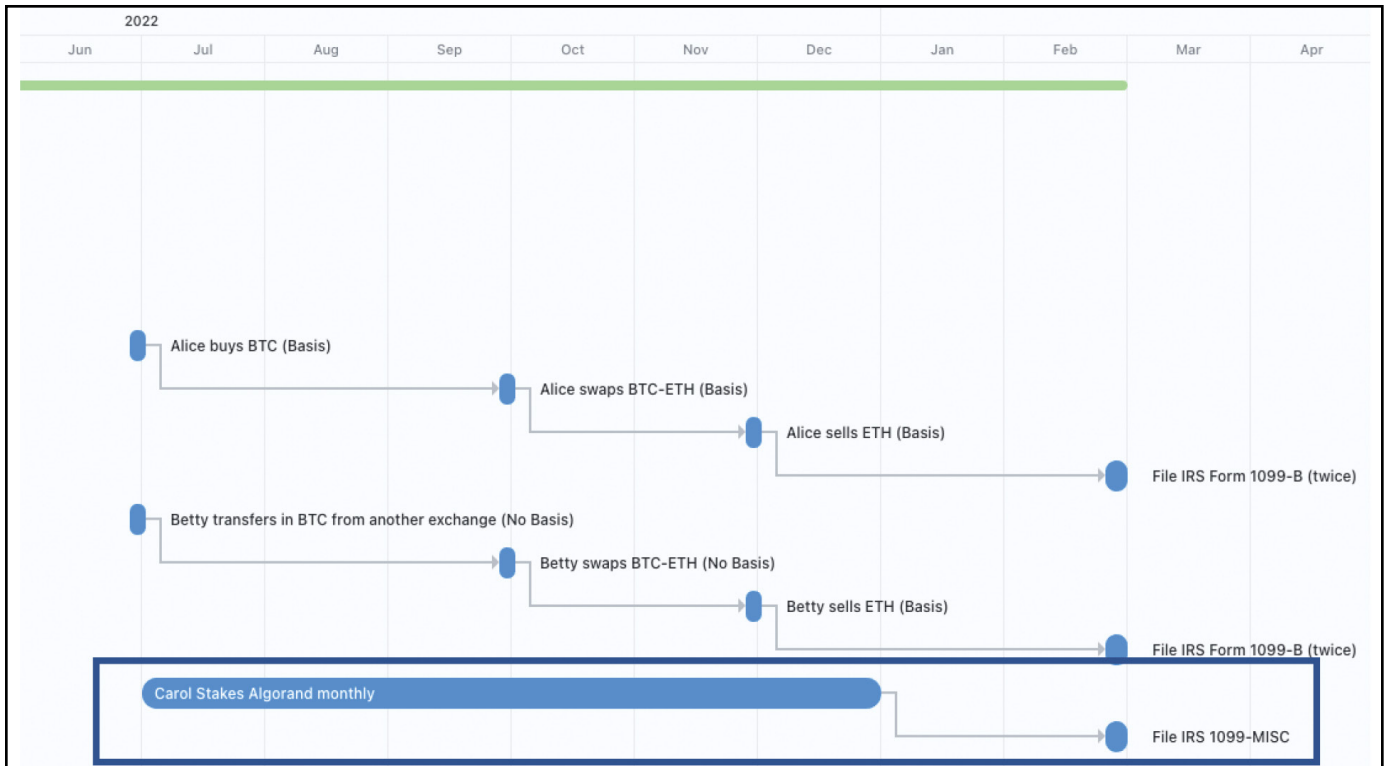
Form 1099-B for the sale of ETH

7979 VOID CORRECTED

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no. Sprocket Financial, LLC 15 E. Main Street Treynor, IA 51575			Applicable checkbox on Form 8949 A (short term basis reported)		OMB No. 1545-0715 2022 Form 1099-B	Proceeds From Broker and Barter Exchange Transactions
1a Description of property (Example: 100 sh. XYZ Co.) 14 Etherium (ETH)						
PAYER'S TIN 87-33846906		RECIPIENT'S TIN 123-45-9876		1b Date acquired 10-1-22	1c Date sold or disposed 12-1-22	Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2022 General Instructions for Certain Information Returns.
RECIPIENT'S name Betty Smith				1d Proceeds \$ 50,000	1e Cost or other basis \$ 40,000	
Street address (including apt. no.) 456 Palm Way				1f Accrued market discount \$	1g Wash sale loss disallowed \$	
City or town, state or province, country, and ZIP or foreign postal code Phoenix, AZ 80000				2 Short-term gain or loss <input checked="" type="checkbox"/> Long-term gain or loss <input type="checkbox"/> Ordinary <input type="checkbox"/>	3 Check if proceeds from: Collectibles <input type="checkbox"/> QOF <input type="checkbox"/>	
Account number (see instructions) 87654				4 Federal income tax withheld \$	5 Check if noncovered security <input type="checkbox"/>	
CUSIP number				6 Reported to IRS: Gross proceeds <input checked="" type="checkbox"/> Net proceeds <input type="checkbox"/>	7 Check if loss is not allowed based on amount in 1d <input type="checkbox"/>	
FATCA filing requirement <input type="checkbox"/>				8 Profit or (loss) realized in 2022 on closed contracts \$	9 Unrealized profit or (loss) on open contracts—12/31/2021 \$	
14 State name		15 State identification no.		10 Unrealized profit or (loss) on open contracts—12/31/2022 \$	11 Aggregate profit or (loss) on contracts \$	
16 State tax withheld \$		12 Check if basis reported to IRS <input checked="" type="checkbox"/>		13 Bartering \$		

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Transactions – Carol



Form 1099-MISC reporting other income

9595		<input type="checkbox"/> VOID <input type="checkbox"/> CORRECTED		OMB No. 1545-0115		2021	Miscellaneous Information	
PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.				1 Rents	Form 1099-MISC			
Sprocket Financial, LLC				\$	#			
15 E. Main Street 712-487-3000				2 Royalties	\$		#	
Trey nor IA 51575 United States				3 Other income	\$ 10,000		4 Federal income tax withheld \$ #	
PAYER'S TIN		RECIPIENT'S TIN		5 Fishing boat proceeds	\$		6 Medical and health care payments \$ #	
EIN: 87-33846906		SSN: 123-45-7766		7 Payer made direct sales totaling \$5,000 or more of consumer products to recipient for resale <input type="checkbox"/>	\$		8 Substitute payments in lieu of dividends or interest \$ #	
RECIPIENT'S name Carol Brown				9 Crop insurance proceeds	\$		10 Gross proceeds paid to an attorney \$ #	
Street address (including apt. no.) 789 Broadway St.				11 Fish purchased for resale	\$		12 Section 409A deferrals \$ #	
City or town, state or province, country, and ZIP or foreign postal code Dallas TX 75000 United States				13 Excess golden parachute payments	\$		14 Nonqualified deferred compensation \$ #	
Account number (see instructions) 76543		FATCA filing requirement <input type="checkbox"/>	2nd TIN not <input type="checkbox"/>	15 State tax withheld	\$		16 State/Payer's state no. \$ #	
					\$		17 State income \$ #	
					\$			

Form 1099-MISC Cat. No. 14425J www.irs.gov/Form1099MISC Department of the Treasury - Internal Revenue Service

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