

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Compliance

Jan. 06, 2020

TaxBit, which offers cryptocurrency tax automation software targeted for crypto users, exchanges, and merchants, is announcing today a seed round of \$5 million, with some of the industries' biggest names participating. Investors include Fintech venture firm, **TTV Capital**, **Dragonfly Capital Partners**, **Collaborative Fund**, **Winklevoss Capital**, **Valar Ventures**, **Global Founders Capital**, **Table Management**, **Album VC**, who previously led TaxBit's pre-seed round, **and more**. This funding is representative of the shift in how Americans are beginning to look at cryptocurrency in regard to taxes and government regulations.

The IRS has been vocal as to properly reporting cryptocurrency taxes. This past summer, the **IRS sent out tens of thousands of audit notices** to US cryptocurrency traders, followed by releasing **new cryptocurrency tax guidance in the fall**. To top it all off, the IRS included a new question on its 2019 tax return form which **requires all US taxpayers to attest whether they acquired, sold, or exchanged cryptocurrency** at any point during the taxable year.

TaxBit, founded by CPAs, tax attorneys, and software developers, has a mission to enable widespread cryptocurrency adoption by automating the regulatory hurdle of tax compliance. Austin Woodward, CEO and Founder of TaxBit (as well as CPA) says, "In such a highly regulated space with so many complexities, TaxBit is needed to remove the burden of proper cryptocurrency tax reporting from the shoulders of crypto users, exchanges, and merchants." He continues, "TaxBit's software and tax experts will accurately handle all of the back-end complexities, while providing users with an intuitive, user-friendly experience on the front-end."

Salt Lake City-based TaxBit launched its consumer product in January 2019 and has since helped thousands of cryptocurrency users automate their taxes. The company's

consumer product is often referred to as the “TurboTax of crypto”, as users can easily

Hello. It looks like you’re using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

In 2019, TaxBit also launched its enterprise tax center suite that is now being deployed by cryptocurrency exchanges and merchants. Similar to the tax centers provided by equity trading platforms, TaxBit’s tax center suite facilitates tax compliance for enterprises and their users through a technology driven platform.

TaxBit plans to use the funds raised to further enhance its products and accelerate customer growth, both in the United States and internationally in regions including Canada, UK, and Australia. “For cryptocurrency to proliferate further, an ecosystem of compliance tools must be created,” says Sean Banks, Partner at TTV Capital. “We are very impressed with the TaxBit team and the platform they are building. This technology is fundamental to the adoption of cryptocurrency, as it enables the industry to progress while being compliant with tax regulations worldwide.”

Filing taxes is an intimidating process, as is. With the IRS’ new guidelines and requirements regarding cryptocurrency, it has become even more difficult. TaxBit strives to lessen the stress and simplify the process for merchants, individuals, and exchanges, alike. With a strong and qualified internal team, TaxBit is able to provide accounting software with immutable and secure tax data, at a time when it is most critical.

Digital Currency • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us