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ACCOUNTING & AUDIT

Thomson Reuters CPA Firms Can Directly Add Ledgible Crypto Tax

Most taxpayers are uninformed when it comes to the potential tax consequences surrounding crypto. Surveys show that there are over 50 million taxpayers who need to report crypto when filing 2021 tax returns. Any taxpayer who can answer 'YES' to the IRS...

Dec. 10, 2021

Over half of the tax returns filed in America are done by tax professionals with many powered by Thomson Reuters solutions for CPA Firms. From the [Thomson Reuters Fall 2021 Investor Booklet](#), all of the Top 100 US CPA Firms among the 145,000 total are Thomson Reuters customers, and Thomson Reuters is in the #1 position in the US and Latin American tax market segment.

For the first time, all Thomson Reuters clients can now access the necessary tools for crypto tax preparation and management with Ledgible Tax Pro powered by Verady. Thousands of Thomson Reuters for Tax & Accounting Firms are preparing for 2021 crypto tax management since over 50 million Americans now own crypto assets.

Most taxpayers are uninformed when it comes to the potential tax consequences surrounding crypto. Surveys show that there are over 50 million taxpayers who need to report crypto when filing 2021 tax returns. Any taxpayer who can answer 'YES' to the IRS Virtual Currency question on the front page of the 1040 form must report their crypto holdings. Taxpayers can no longer plead ignorance on their cryptocurrency tax obligations.

Think the IRS Won't Find Your Crypto Assets?

Think again – the IRS introduced “Operation Hidden Treasure” this year. As part of Operation Hidden Treasure, the IRS Criminal Investigation division has formed a dedicated team of IRS criminal investigation professionals to target taxpayers not reporting cryptocurrency transactions on their tax returns.

Transactions on the blockchain are not anonymous, the record is public. For CPAs, the first step is understanding the compliance obligations. Capital gains and losses are the primary compliance impact for crypto clients. It is important for anyone who has crypto to accurately account for crypto events.

What is a Crypto Event?

While many transactions, like selling crypto for US dollars or other traditional currencies are widely understood, there are several nuances unique to crypto.

- Selling crypto for fiat like US dollars
- Exchanging crypto for a good or service results in a disposal of the crypto
- Swapping one cryptocurrency for another is treated the same way as if you sold for USD and purchased the new crypto with USD
- Receiving new units of cryptocurrency from a hard fork
- Receiving cryptocurrency as a result of an airdrop
- Income from mining, staking and other Decentralized Finance (DiFi) activities

How Hard is It to Accurately Track Crypto?

Holders of cryptocurrency wallets face the greatest challenge. They do not receive monthly statements, and on-chain wallets are not designed to provide tax reporting. The complexity of taxpayers transferring their crypto and not knowing the on-chain transaction history, leads to many reporting difficulties. The main challenge for taxpayers and preparers is to manage all the crypto data across multiple wallets and exchanges as well as all transactions to calculate income, gifts, gains and losses.

How can Ledgeble Tax Pro Powered by Verady help your Professional Tax Service?

Tools like Ledgeble Tax Pro (<https://ledgeble.io/crypto-partner-program/>) make it easy for your clients to connect their exchange accounts and wallets for the system to identify taxable transactions, calculate the correct tax gain/loss, and import the results directly into professional tax packages. Ledgeble supports a wide range of integrations across major blockchains, cryptocurrency exchanges, and accounting

platforms and identifies taxable transactions. The platform calculates the gain/loss in the necessary reporting format for tax preparation firms and connects to an individual's crypto sources to identify taxable transactions, calculate gain/loss, and enable the CPA to import the results into professional tax packages. Supporting details track the movement of crypto currencies between exchanges and wallets to prove which transactions are taxable vs tax free transfers. Ledgible by Verady provides AICPA SOC assured tax reporting and portfolio tracking for crypto assets.

Want to learn more about Ledgible, visit

<https://marketplace.thomsonreuters.com/details/ledgible-tax-pro/>

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