

EY Blockchain Analyzer: Tax Calculator

Easily calculate capital gains/losses from trading cryptocurrencies and produce US tax Form 8949

Business issue

The taxation of cryptocurrencies is complex and IRS scrutiny on their tax returns is increasing. From a regulatory standpoint, the guidance from the IRS is continuously evolving; and for the calculation, fractional quantities of cryptocurrencies is increasing the complexity of basis tracking. Now is as important as ever to ensure compliance.

Solution description

As part of the EY Blockchain Analyzer suite, the Tax Calculator solution is a web-based solution where individuals can upload transactions to download a Form 8949 which is used to calculate capital gains for US tax returns. It connects directly with multiple exchanges, allowing users to insert API keys and/or upload exchange-formatted CSV files. Individuals can also insert cryptocurrencies from transactions related to mining and staking rewards to include their basis for future sales of that cryptocurrency.

Key contacts

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Business benefits

- ▶ Calculates capital gains and provides compliance for purchases and sales of cryptocurrencies
- ▶ Produces a draft Form 8949 for review and inclusion in tax return
- ▶ Allows for the inclusion of basis tracking for mining and staking type rewards on cryptocurrencies

Technologies

- ▶ API connections to exchanges
- ▶ Multiple CSV file uploads
- ▶ Built on blockchain.ey.com

Why EY

- ▶ Deep industry knowledge gained from serving the largest and most complex clients
- ▶ A truly global delivery capability for blockchain
- ▶ One software-as-a-service infrastructure for all EY blockchain products on blockchain.ey.com
- ▶ Globally recognized as a technology leader in blockchain

Transactions		Capital Gains				
TRANSACTIONS						
64		+ Manual Transaction				
Import	Upload transactions					
1 import	Select all					
Manual Transactions	0 transactions					
EDITED	***					
Coinbase						
CoinbaseSR.csv						
64 transactions						
Inserted 2020-10-02 18:47:25						
Last Modified 2020-12-04 18:06:13						
Date / Time	Exchange / Source	Type	Base from	Counter to	Transaction fees	Actions
2017-07-15 00:00	Coinbase	Buy	0.02448596 BTC	49.80 USD	1.99 USD	
2017-07-15 00:00	Coinbase	Buy	0.02349613 BTC	47.81 USD	1.99 USD	
2017-07-15 00:00	Coinbase	Buy	0.03854805 BTC	78.01 USD	2.99 USD	
2017-07-29 00:00	Coinbase	Send	0.09249017 BTC	250.00 USD	0.00 USD	
2017-08-08 00:00	Coinbase	Buy	0.0724418 BTC	250.00 USD	9.98 USD	✎ 🗑
2017-08-13 00:00	Coinbase	Buy	0.04521781 BTC	180.49 USD	2.99 USD	
2017-08-13 00:00	Coinbase	Buy	0.09456911 BTC	384.65 USD	15.35 USD	
2017-10-12 00:00	Coinbase	Sell	0.04849178 BTC	248.03 USD	3.70 USD	
2017-10-13 00:00	Coinbase	Sell	0.01505212 BTC	83.44 USD	2.99 USD	
2017-10-31 00:00	Coinbase	Sell	0.02270738 BTC	144.35 USD	2.99 USD	
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