

## Is Coinbase taxed under \$600? (([I][R][S] tax\*reporting))

Coinbase, like other cryptocurrency exchanges,  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  is subject to tax regulations in the United States, but whether a transaction under \$600 is taxed depends on the nature  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  of the transaction. According to the IRS, cryptocurrency  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  transactions are generally considered taxable events, including buying, selling, trading  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$ , and exchanging crypto. However, the \$600 threshold often comes into  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  play when reporting certain transactions to the IRS.

For example, under the American Rescue Plan Act of 2021,  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  third-party payment processors, such as Coinbase, are required to report any transaction that exceeds \$600 in aggregate during  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  a calendar year. This applies primarily to transactions involving payments made through platforms like PayPal or  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  Coinbase Commerce, which facilitate goods and services payments. If a user's transactions exceed \$600, Coinbase is required to issue a  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  Form 1099-K, which reports the total transaction volume.

However, this \$600 threshold doesn't directly impact the taxability of  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  the transactions themselves. All crypto gains—whether under or over \$600—are still taxable and must be reported on your  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  tax return. If you sell or trade cryptocurrency, even small amounts, you must calculate any gains or losses  $\cong \star 1-(803) \div 250 \div 5496 \star \cong$  and report them to the IRS, as crypto is treated like property for tax purposes.