

Forum: [Hack Forums](#)

Thread: [Tax information for cryptocurrency\(United States \)](#)

Eagerkid - July 7, 2017, 7:56 am

PURE INVESTMENTS ULTIMATE DISCUSSION

Feel free to check out <https://bitcoin.tax/> also

Basically, if you hold on to the investment for a year or less, your tax rate would be your marginal rate for ordinary income. This is based on what other income you have in the year of sale. Which is why it is important to do your accounting, so you can figure out accurately what you are making. Even if you are not paying taxes on crypto currency, it is still good to see your own personal finances.

Brackets :

Up to \$9,325 10%

\$9,326 - \$37,950 15%

\$37,951 - \$91,900 25%

\$91,901 - \$191,650 28%

Etc. up to 39.6%

If you own the Coin for more than a year, then you will pay 0% on the gain until total income is above \$37,950. If your total income is above \$37,950, then you pay 15% on any gain.

EXAMPLE

If you make \$9500 then you would be paying 10% on \$9325 and 15% on the remainder \$175 (assuming you do not hold for a whole year etc)

*The decision to sell should be based primarily on your investment analysis and not by the tax consequences. However you can manipulate amount of taxes you will pay by holding or selling short.

TRADER VS INVESTOR

These above taxes are for INVESTORS not TRADERS. If you make a certain number of transactions per year it makes the taxes a lot more complicated. I can make a thread on this later

*Should be for most states if not every

minimalist - July 7, 2017, 9:12 am

I think it'd be worth mentioning that you can export your trading history from most exchanges and import it into bitcoin.tax to review your gains or losses.

NightForce - July 7, 2017, 9:34 am

So no taxes have to be made if your crypto portfolio is under 9k?

POLY MATH - July 7, 2017, 9:40 am

I am also a little confused after reading the example. Could you provide another example?

Charger - July 7, 2017, 9:41 am

(Jul 7, 2017 09:12 AM)Minimalist Wrote: [\[CITE\]](#) I think it'd be worth mentioning that you can export your trading history from most exchanges and import it into bitcoin.tax to review your gains or losses.

Woah, I've never heard of that website or companies directed towards crypto tax filing. Any others like it?

minimalist - July 7, 2017, 9:43 am

(Jul 7, 2017 09:41 AM)Charger Wrote: [\[CITE\]](#) Woah, I've never heard of that website or companies directed towards crypto tax filing. Any others like it?

There were some other sites, and an informational one, but I can only recall the URL of one other: <https://cointracking.info/tax/>

Kill Joy - July 7, 2017, 12:20 pm

Something extremely important to note.

Tax brackets are exactly that, brackets, right? So I have \$50,000. Only 37,950 is taxed at 15% and the rest taxed at 25%?

I may be confused about something else I read on reddit.com/r/personalfinance.

Rake - July 7, 2017, 12:51 pm

I'm not worrying about taxes because when I do exchange any amount of BTC to USD, It's going to be on Hansa market for cash by mail :)

Admirably - July 7, 2017, 12:53 pm

isn't possible to just exchange your coins for WU and avoiding these fees? I'm not from US, I'm just wondering.

Kill Joy - July 7, 2017, 1:03 pm

(Jul 7, 2017 12:53 PM)Admirably Wrote: [\[CITE\]](#) isn't possible to just exchange your coins for WU and avoiding these fees? I'm not from US, I'm just wondering.

If you deposit it to your bank, they're gonna be wondering where it came from. Pretty sure after a certain amount you need to provide your SSN or something with WU.

Eagerkid - July 7, 2017, 2:35 pm

(Jul 7, 2017 12:20 PM)Kill Joy Wrote: [\[CITE\]](#) Something extremely important to note.

Tax brackets are exactly that, brackets, right? So I have \$50,000. Only 37,950 is taxed at 15% and the rest taxed at 25%?

I may be confused about something else I read on reddit.com/r/personalfinance.
Okay so \$50k

\$9,325 is taxed at 10%

\$28,624 would be taxed at 15%

\$12,051 would be taxed at 25%

(Jul 7, 2017 09:12 AM)Minimalist Wrote: [\[CITE\]](#) I think it'd be worth mentioning that you can export your trading history from most exchanges and import it into bitcoin.tax to review your gains or losses.

very interesting, I will add this. I have never used or heard about this. Thanks

(Jul 7, 2017 09:40 AM)TRADOC Wrote: [\[CITE\]](#) I am also a little confused after reading the example. Could you provide another example?

I have added another in this post, if you want another feel free to PM me

(Jul 7, 2017 09:34 AM)NightForce Wrote: [\[CITE\]](#) So no taxes have to be made if your crypto portfolio is under 9k?

It also depends on how much income you are making as well in total for the year

(Jul 7, 2017 12:53 PM)Admirably Wrote: [\[CITE\]](#) isn't possible to just exchange your coins for WU and avoiding these fees? I'm not from US, I'm just wondering.

Depends on the amount of money, the more you make and dont claim the harder it is to hide it. I pay taxes so I dont have to worry :p

otto1 - July 7, 2017, 7:25 pm

What if you're only transferring by like \$1000s? What then?

Eagerkid - July 7, 2017, 7:27 pm

(Jul 7, 2017 07:25 PM)otto1 Wrote: [\[CITE\]](#) What if you're only transferring by like \$1000s? What then?

If you have a income of \$1k you wont have to pay

Orgy - July 8, 2017, 2:05 pm

(Jul 7, 2017 09:12 AM)Minimalist Wrote: [\[CITE\]](#) I think it'd be worth mentioning that you can export your trading history from most exchanges and import it into bitcoin.tax to review your gains or losses.

the real lpt is always in the comments

Autist - July 8, 2017, 3:03 pm

I dont get why people want to pay tax on these, its very easy to avoid paying it

.Dmo - July 8, 2017, 3:04 pm

(Jul 8, 2017 03:03 PM)Bart Allen Wrote: [\[CITE\]](#) I dont get why people want to pay tax on these, its very easy to avoid paying it

How do you suggest doing that? I haven't seen anyways to "easily" avoid it.

Eagerkid - July 8, 2017, 3:06 pm

(Jul 8, 2017 03:03 PM)Bart Allen Wrote: [\[CITE\]](#) I dont get why people want to pay tax on these, its very easy to avoid paying it

Some of us have more money than others :)

If you have 1k its not a big deal, but when you cheat the government lets say \$50-100k you can be

screwed. Many ways to get caught, your not as anonymous as you think.

Scuti - July 8, 2017, 3:11 pm

Why not make multiple sends/withdraws of \$1000 at a time, seems like a simple workaround.

Ravioli - July 8, 2017, 3:32 pm

You don't have to worry about taxes until you think about cashing out though, right? I remember hearing this somewhere. As long as it is in coin form and not in any fiat you don't have to worry about it until you cash out (might be completely wrong idk).

Kill Joy - July 8, 2017, 3:45 pm

(Jul 8, 2017 03:32 PM)Ravioli Wrote: [\[CITE\]](#) You don't have to worry about taxes until you think about cashing out though, right? I remember hearing this somewhere. As long as it is in coin form and not in any fiat you don't have to worry about it until you cash out (might be completely wrong idk).

This is correct, but you will eventually cash out in some point in your life. Different tax rates and categories apply depending on how long you hold the assets.

(Jul 8, 2017 03:11 PM)Scuti Wrote: [\[CITE\]](#) Why not make multiple sends/withdraws of \$1000 at a time, seems like a simple workaround.

Where are you putting that money though? The bank? They'll know when they see all the deposits.

That would be considered tax evasion, not tax avoidance.

Eagerkid - July 8, 2017, 4:09 pm

(Jul 8, 2017 03:45 PM)Kill Joy Wrote: [\[CITE\]](#) This is correct, but you will eventually cash out in some point in your life. Different tax rates and categories apply depending on how long you hold the assets.

Where are you putting that money though? The bank? They'll know when they see all the deposits.

That would be considered tax evasion, not tax avoidance.

This was going to be exactly my response, thanks

Silent - July 8, 2017, 9:01 pm

Would love to see a detailed thread on this!

Patriot - July 8, 2017, 9:08 pm

What about if you turn your Bitcoin into gift cards to buy merchandise with?

NightForce - July 8, 2017, 9:11 pm

(Jul 7, 2017 12:51 PM)Stratis Wrote: [\[CITE\]](#) I'm not worrying about taxes because when I do exchange any amount of BTC to USD,

It's going to be on Hansa market for cash by mail :)

That'd be the best way is trying to cash out your crypto for real money. Gotta be careful though, they got Blade and Scarface for the same shit.....with drugs though.

Eagerkid - July 8, 2017, 9:15 pm

(Jul 8, 2017 09:01 PM)Cash Overflow Wrote: [\[CITE\]](#) Would love to see a detailed thread on this! a detailed thread on what?

(Jul 8, 2017 09:08 PM)Patriot Wrote: [\[CITE\]](#) What about if you turn your Bitcoin into gift cards to buy merchandise with?

It doesn't matter, if you ever get caught you're just going to add up the charges and be fucked. Losing your freedom shouldn't have a price tag on it

When you try and evade taxes it is a different crime, and when you start buying stuff with the money or invest it or whatever you run into money laundering which is a huge crime.

Patriot - July 8, 2017, 9:23 pm

(Jul 8, 2017 09:15 PM)Eagerkid Wrote: [\[CITE\]](#) a detailed thread on what?

It doesnt matter, if you ever get caught your just going to add up the charges and be fucked. Losing your freedom shouldn't have a price tag on it

When you try and evade taxes it is a different crime, and when you start buying stuff with the money or invest it or whatever you run into money laundering which is a huge crime.

Yeah, it's probably not worth it.

But for the money laundering part, I'm pretty sure that is for illegally-obtained money. If you earned crypto legit it wouldn't be money laundering, just evasion.

Eagerkid - July 12, 2017, 7:18 am

(Jul 8, 2017 09:23 PM)Patriot Wrote: [\[CITE\]](#) Yeah, it's probably not worth it.

But for the money laundering part, I'm pretty sure that is for illegally-obtained money. If you earned crypto legit it wouldn't be money laundering, just evasion.

Yeah you are probably right, thanks

Kinguin - July 12, 2017, 2:01 pm

That's not bad, and meanwhile in Norway - 50% of the income.

That-1-Guy - July 12, 2017, 3:22 pm

im sure its easy to hide 100k+ sell on local bitcoins and even get like 2.5% more. i could also get a cheap house or hotel in a state where taxes on crypto aint that bad and report it there not sure if other states are less strict though so that might not work worst comes to worst id just have the cash and if i was to buy a house or a car id only report what i spend ? or am i missing something ? couldnt you launder it as well? i understand its illegal and all but what are the chances of us getting caught were not holding millions idk though never had this much money before in my life

Kareem - July 12, 2017, 3:57 pm

(Jul 7, 2017 12:51 PM)Stratis Wrote: [\[CITE\]](#) I'm not worrying about taxes becuae when I do exchange any ammount of BTC to USD,

It's going to be on Hansa market for cash by mail :)

lol be careful talking about dw shit. You can get in serious trouble.

webdev77 - July 12, 2017, 6:00 pm

(Jul 12, 2017 02:01 PM)Kinguin Wrote: [\[CITE\]](#) That's not bad, and meanwhile in Norway - 50% of the income.

That's the price of the style of government there though. Really nothing to complain about unless you want reduced government spending.

Eagerkid - July 13, 2017, 2:14 pm

(Jul 12, 2017 03:22 PM)That-1-Guy Wrote: [\[CITE\]](#) im sure its easy to hide 100k+ sell on local bitcoins and even get like 2.5% more. i could also get a cheap house or hotel in a state where taxes on crypto aint that bad and report it there not sure if other states are less strict though so that might not work worst comes to worst id just have the cash and if i was to buy a house or a car id only report what i spend ? or am i missing something ? couldnt you launder it as well? i understand its illegal and all but what are the chances of us getting caught were not holding millions idk though never had

this much money before in my life

I didnt create this thread to talk about how to hide crypto currency. I made it for people who are going to be paying their taxes

Marshmallow Man - July 13, 2017, 2:15 pm

Can anyone answer my question:

I've owned over \$10K btc for a year but the past month (July) I made \$5k, so do I have to pay taxes? 10% on 5K? or \$15K 15%?

Eagerkid - July 13, 2017, 2:19 pm

(Jul 13, 2017 02:15 PM)Marshmallow Man Wrote: [\[CITE\]](#) Can anyone answer my question:

I've owned over \$10K btc for a year but the past month (July) I made \$5k, so do I have to pay taxes? 10% on 5K? or \$15K 15%?

Your tax bracket also includes income you have earned. But in this instance if all else is \$0, then you would pay 10% on the \$5k (if you cash out)

Elitas - September 15, 2017, 3:21 pm

What if you just took out \$9k at a time. It's a little misleading about that.

toneyhh - September 15, 2017, 3:30 pm

So ive been buying btc through coinbase, ive linked my bank account and ive been selling btc from coinbase to my bank acc.

Where/how do i find this information about how much taxes ive to pay? Or if im guccie

Eagerkid - September 15, 2017, 5:55 pm

(Sep 15, 2017 03:21 PM)Elitas Wrote: [\[CITE\]](#) What if you just took out \$9k at a time. It's a little misleading about that.

\$9k multiple times in a year? It is based on your whole years income

be more specific

(Sep 15, 2017 03:30 PM)toneyhh Wrote: [\[CITE\]](#) So ive been buying btc through coinbase, ive linked my bank account and ive been selling btc from coinbase to my bank acc.

Where/how do i find this information about how much taxes ive to pay? Or if im guccie

You would have to use something like turbo tax or talk with a tax accountant when you are filing for your taxes.