

Forum:[Hack Forums](#)

Thread: [Taxes caught me on Bitcoin](#)

Zamper - March 22, 2019, 4:25 pm

Hello,

First of all I'd like to clear that I'm not from USA, however I had some movements on my bank account of large amount of money and I received a letter from taxes center that they need to know what were these movements and what is my monthly incoming, I explained that I'm a bitcoin trader and they want receipts of the trades to verify this information and pay the correct tax me only for the profit and not the whole amount.

I got involved in bitcoin around in December 2016. They want to see all my receipts of buy/sale of my bitcoins since 2016 and I'm just a trader in LBC,Hackforums,Bitcoin talk forums , sometimes I deal over skype.

I found some receipts of me buying bitcoin but there is only a few and I'm not sure what could happen if I don't find all receipts.

I'd like someone to guide me through this, I obviously want to pay the tax but only for the profit not for my whole investment, that would be ridiculous.

I know many HF members have experience on bitcoin taxing, especially from USA members. So share your opinions on this.

Thank you.
?

Steam - March 22, 2019, 4:26 pm

Visa Reloadable Load N Go, never use your main bank to cash profits to.

Pain - March 22, 2019, 4:31 pm

(Mar 22, 2019 04:26 PM)Thunder Wrote: [\[CITE\]](#) Visa Reloadable Load N Go, never use your main bank to cash profits to.

Oh yes load 30k onto a visa load n go!

Steam - March 22, 2019, 4:48 pm

(Mar 22, 2019 04:31 PM)Pain Wrote: [\[CITE\]](#) Oh yes load 30k onto a visa load n go!
It's linked to a bank account. Got any better suggestions?

Shelob - March 22, 2019, 4:51 pm

How much are we talking about here, and where are you from?

ririki - March 22, 2019, 4:51 pm

You will simply have to prove what have you done with that income.
Try to provide as many information as possible and get an accountant.

If you won't be able to get all of that, they may want from you to tax your entire revenue.

Edit: You can also probably say that the bitcoin purchase was an investment for your business and you made from it just and only \$\$\$\$.

Pain - March 22, 2019, 4:56 pm

(Mar 22, 2019 04:48 PM)Thunder Wrote: [\[CITE\]](#) It's linked to a bank account. Got any better suggestions?

I was being sarcastic as loading in a visa is stupid.

You should of been smart and have done lower amounts at a time.

Steam - March 22, 2019, 5:14 pm

(Mar 22, 2019 04:56 PM)Pain Wrote: [\[CITE\]](#) I was being sarcastic as loading in a visa is stupid.

You should of been smart and have done lower amounts at a time.

The sarcasm was obvious, however it doesn't matter. There is no limit, there is no restrictions, stop trying to trump people.

You haven't suggested anything different to what I have...

PerfectStorm - March 22, 2019, 5:17 pm

(Mar 22, 2019 04:31 PM)Pain Wrote: [\[CITE\]](#) Oh yes load 30k onto a visa load n go!Yeah why not. Smart way to do it.

F.B.I - March 22, 2019, 5:25 pm

(Mar 22, 2019 04:48 PM)Thunder Wrote: [\[CITE\]](#) It's linked to a bank account. Got any better suggestions?

Cash from local bitcoins sent to a drop address.

Pay your taxes though I'm not advocating for breaking the law.

Steam - March 22, 2019, 5:28 pm

(Mar 22, 2019 05:25 PM)DotComs Wrote: [\[CITE\]](#) Cash from local bitcoins sent to a drop address.

Pay your taxes though I'm not advocating for breaking the law.

Breaking the law or not, I can see why people want to do this.

Australia and Sweden for example are extremely high in taxes.

Honestly, what the ATO doesn't know doesn't hurt them

PARAZORA - March 27, 2019, 3:19 am

Take it as a lesson, next time dont move high amounts of money trough your bank accounts unless you plan to tax that.

Localbitcoins, only cash
aliases.

bruhz - March 27, 2019, 3:47 am

disgusting, they have so much better things to do yet they find random members who dealt \$100 in btc

Suspect. - March 27, 2019, 3:52 am

(Mar 27, 2019 03:47 AM)bruhz Wrote: [\[CITE\]](#) disgusting, they have so much better things to do yet they find random members who dealt \$100 in btcOP said "Large amounts" which clearly means much more than 100, OP should've been more careful had he Split the amount into a 1/4 per transfer he wouldn't of been caught also had he waited a while In between each transfer even

better.

GettingRich - March 27, 2019, 6:41 am

This is really sad bro

Been using crypto since 2012 and no letter arrived to me yet

?ystem - March 27, 2019, 6:52 am

That's a bit of a surprise to me. 'Didn't think any agency put effort into imposing taxes on cryptocurrencies. Learn something new everyday! But if you caught their eye then I suggest following through with providing as much information as they need. They can probably fill in the blanks of whatever you don't have so don't worry.

Zamper - March 27, 2019, 8:56 am

Just a quick update:

I'm fucked, apparently if I trade for example BTC for Amazon Gift Card (which is still not fiat....) I have still to pay for that profit gains. Even if the money never touched my bank.

I learn this the hard way , so maybe this post will guide other people.

Cash - March 27, 2019, 9:00 am

(Mar 27, 2019 08:56 AM)Donovan Wrote: [\[CITE\]](#) Just a quick update:

I'm fucked, apparently if I trade for example BTC for Amazon Gift Card (which is still not fiat....) I have still to pay for that profit gains. Even if the money never touched my bank.

I learn this the hard way , so maybe this post will guide other people. How much were you doing per transaction and how much were you depositing into your bank? If you're doing a lot over \$4000, they're going to look into it

Zamper - March 27, 2019, 9:02 am

(Mar 27, 2019 03:19 AM)PARAZORA Wrote: [\[CITE\]](#) Take it as a lesson, next time don't move high amounts of money through your bank accounts unless you plan to tax that.

Localbitcoins, only cash aliases.

(Mar 27, 2019 09:00 AM)Cash Wrote: [\[CITE\]](#) How much were you doing per transaction and how much were you depositing into your bank? If you're doing a lot over \$4000, they're going to look into it

I'm a Paxful & Localbitcoins pro trader for 2 years , I had way more than \$4000 transfers

?

Dope - March 27, 2019, 9:06 am

The question is, where are you from? Because I haven't really heard about cases similar to yours outside of the us.

ama - March 27, 2019, 9:18 am

Not having the receipts or proof of payment for all of those trades might put you in a little hole, time to move OP. Jokes aside, provide them with what you got and explain the missing ones.

Bael - March 27, 2019, 9:30 am

Interesting, how much were you moving per mo?

Would like to know if not exact numbers then estimate.
Thanks

nollergut - March 27, 2019, 9:45 am

I got rekt by taxes too in my crypto trading days.. feels bad man

Pawnhub - March 27, 2019, 10:08 am

You should have foreseen this coming, your best bet is to give them the receipts you got and stop trading through your bank.

Best way to avoid a tax investigation while using a bank is don't show you got more than what your worth(career wise) at anytime, including transactions to your bank.

Tax evasion 101.

SavageAF - March 27, 2019, 10:14 am

(Mar 27, 2019 10:08 AM)UnknownPawn Wrote: [\[CITE\]](#) You should have foreseen this coming, your best bet is to give them the receipts you got and stop trading through your bank.

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"don't show you got more than what your worth" but banks can check all your transactions and can report them to tax authorities in most countries, so I'm not sure who you're "not showing you got" to?

Pawnhub - March 27, 2019, 10:28 am

(Mar 27, 2019 10:14 AM)SavageAF Wrote: [\[CITE\]](#) "don't show you got more than what your worth" but banks can check all your transactions and can report them to tax authorities in most countries, so I'm not sure who you're "not showing you got" to?

If you got a job right? Money goes to bank right? Well don't start adding more money to the bank than what you make at your job. Sure a few hundred might be fine, they might say it was from christmas card's, gifts, bonus checks etc but you randomly start adding sums like in the thousands to your bank, they will investigate you to find how you're making this money.

& it's called under the table, if you make money that isn't going to be taxed through services etc and don't want to be taxed, don't show them you got the money.

Cash - March 27, 2019, 10:31 am

I think there more interested in the money you moved if you sell 10000 on BTC at 15% you only profit \$1500 but tax wise it looks like you received \$10k

SavageAF - March 27, 2019, 11:48 am

(Mar 27, 2019 10:28 AM)UnknownPawn Wrote: [\[CITE\]](#) If you got a job right? Money goes to bank right? Well don't start adding more money to the bank than what you make at your job. Sure a few hundred might be fine, they might say it was from christmas card's, gifts, bonus checks etc but you randomly start adding sums like in the thousands to your bank, they will investigate you to find how you're making this money.

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... That's definitely a different approach to tax evasion, if you make money you should take it cash to best avoid tax, but if you have to take it via some transfer don't do it through the bank, when you say "don't show them you got the money" you realise banks keep records of every single transaction both in and out of your account(s). There's a few ways you can avoid paying tax.

1: Take the money in cash, but even then you can get questioned on why you have so much cash

on you (if of course it's a lot), this is how most drug dealers operate.

2: Do some accounting magic with some real smart people.

3: Send your money on a complicated route like Apple does, with lots of legal jargon and stuff in the way.

There's probably a lot more, but these are the ones I know of. I just still don't get how you're going to hide your income from the bank if you put it in the bank, unless you mean you use something else to store your money over a bank?

(Mar 27, 2019 10:31 AM)Cash Wrote: [\[CITE\]](#) I think there more interested in the money you moved if you sell 10000 on BTC at 15% you only profit \$1500 but tax wise it looks like you received \$10k

Yeah, that would count as capital gains tax, so they only tax the "profit" you make from trading, not the principle amount, unless you've ended up trading more money in BTC than you have (might look suspicious, unless you've borrowed money etc).

Evocator-Dev - March 27, 2019, 11:51 am

You're fucked buddy.

Next time don't involve btc with ur bank at all not even \$1.

Enjoy some jail time or ready to pay all income. ?

Stork - March 27, 2019, 12:16 pm

You probably don't owe as much as you think and they will find everything, don't stress too much. Look into your countries capital gains laws and calculate your total rough profit and deduct the capital gains from that and expect to be paying at least that in taxes. Play dumb and work with the government as best as possible, you need them to believe you were ignorant to capital gains laws.

Pawnhub - March 27, 2019, 12:40 pm

(Mar 27, 2019 11:48 AM)SavageAF Wrote: [\[CITE\]](#) ... That's definitely a different approach to tax evasion, if you make money you should take it cash to best avoid tax, but if you have to take it via some transfer don't do it through the bank, when you say "don't show them you got the money" you realise banks keep records of every single transaction both in and out of your account(s). There's a few ways you can avoid paying tax.

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You act like people need banks for bitcoin? You don't people come in hand with cash or you trade online. Putting it in your bank is overall a stupid decision. I never seen nobody with a high amount bitcoin transactions just shoveling them to their bank and not expected to be taxed & if they did it

was in small ass amounts. Countries made selling bitcoin for money illegal over not being able to track money for taxes. Thus some governments don't even allow transactions with BTC. All BTC is under the table unless you transfer funds to/from your bank and then you can expect to be taxed. Were you around during the days wallets could be created with a username and password? Nothing linked to you, you could literally use it as a payment option that's not in your name and you could avoid taxation day and night. It wasn't governed by government taxation, and if you had it and traded it or got cash from your transactions that's all you, just don't be a dumb fuck and use a bank which will send your records to the IRS or systems alike because if you make money you owe them.

"2: Do some accounting magic with some real smart people."

Why even post this, if you have any knowledge about economics and the governing factors you don't need the help of an accountant. Why are you still here?

"3: Send your money on a complicated route like Apple does, with lots of legal jargon and stuff in the way."

Like trading for cash in person or trading in general? Jesus christ were you even around for BTC? It was money laundering in the governments eyes & were lucky it's even still legal in most countries right now. Buying and selling using separate routes is how it started.

"don't show them you got the money"

Yes don't show them your getting \$4000 deposits because then the IRS goes over your income they will wonder where the hell the extra \$4000 came from & If you didn't report your bitcoin venture on your taxes you are in deep shit that's an investigation probably what I think OP's dealing with.

SavageAF - March 27, 2019, 1:19 pm

(Mar 27, 2019 12:40 PM)UnknownPawn Wrote: [\[CITE\]](#) You act like people need banks for bitcoin? You don't people come in hand with cash or you trade online. Putting it in your bank is overall a stupid decision. I never seen nobody with a high amount bitcoin transactions just shoveling them to their bank and not expected to be taxed & if they did it was in small ass amounts. Countries made selling bitcoin for money illegal over not being able to track money for taxes. Thus some governments don't even allow transactions with BTC. All BTC is under the table unless you transfer funds to/from your bank and then you can expect to be taxed. Were you around during the days wallets could be created with a username and password? Nothing linked to you, you could literally use it as a payment option that's not in your name and you could avoid taxation day and night. It wasn't governed by government taxation, and if you had it and traded it or got cash from your transactions that's all you, just don't be a dumb fuck and use a bank which will send your records to the IRS or systems alike because if you make money you owe them.

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"You don't people come in hand with cash or you trade online."

Yes, that's why I said it's fine to do cash in hand.

"Putting it in your bank is overall a stupid decision."

How else do you suppose you'd get the money if it's not cash in hand, and if you're trading it for something online you've essentially just moved the problem, not solved it. Eg you sell BTC for runescape gold, now you have to actually get the cash for the runescape gold, you've not solved the problem. I thought you might come out with some of that creditcard stuff people used to trade btc for.

"Countries made selling bitcoin for money illegal over not being able to track money for taxes." Depends which countries, not illegal in mine.

"All BTC is under the table unless you transfer funds to/from your bank and then you can expect to be taxed."

You realise there's a ledger of all btc transactions, it's not exactly under the table, the only "under the table" part is the fact that your identifier is your wallet, no personal details needed.

"Why even post this, if you have any knowledge about economics and the governing factors you don't need the help of an accountant. Why are you still here?"

Yes, because a great grasp of economics lets you commit tax evasion, you realise that money flows in and out of accounts, hence why an accountant would be useful if you decided to launder money. Economics has nothing to do with tax evasion, it's usually just a footnote.

"Like trading for cash in person or trading in general? Jesus christ were you even around for BTC? It was money laundering in the governments eyes & were lucky it's even still legal in most countries right now. Buying and selling using separate routes is how it started."

I think you misunderstood what I meant, I mean that there are legal ways to avoid tax, much like Apple does (and Amazon to an extend, but their methods are different from what I'm going to explain), Apple uses the law to their advantage and legal loopholes to send money to patent holders in countries with lower tax rates under "different" companies and/or accounts so that they can avoid most if not all tax.

"Yes don't show them your getting \$4000 deposits because then the IRS goes over your income they will wonder where the hell the extra \$4000 came from & If you didn't report your bitcoin venture on your taxes you are in deep shit thats an investigation probably what I think OP's dealing with."

Agreed, but I was more asking how can you not show them the money without trading cash in hand. From what I see you have BTC, you want money (or bank deposits, essentially anything with high liquidity), so how exactly are you going to turn BTC->cash, you can't do BTC->bank->cash, you need something in the middle, which is what? This is what I said earlier about runescape gold, I don't know of any decent ways to bypass the bank to get cash, maybe trading on markets (financial markets, specifically the stock market) by depositing in BTC and withdrawing cash, but most brokers will only withdraw to banks which makes the whole idea useless. I'm open to any ideas you have of bypassing the bank.

GiraffeBear - March 27, 2019, 9:17 pm

(Mar 22, 2019 04:25 PM)Donovan Wrote: [\[CITE\]](#) Hello,

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account of large amount of money and I received a letter from taxes center that they need to know what were these movements and what is my monthly incoming, I explained that I'm a bitcoin trader and they want receipts of the trades to verify this information and pay the correct tax me only for the profit and not the whole amount.

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I found some receipts of me buying bitcoin but there is only a few and I'm not sure what could happen if I don't find all receipts.

I'd like someone to guide me through this, I obviously want to pay the tax but only for the profit not for my whole investment, that would be ridiculous.

I know many HF members have experience on bitcoin taxing, especially from USA members. So share your opinions on this.

Thank you.

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Don't think they'll notice all of it if you don't have all the receipts. Are you being full-on audited? I'm from Canada and I'd say you should be fine (if you're from here).

Nate - March 27, 2019, 9:20 pm

I'm sure if you give them a good amount of receipts they won't have any more reasonable doubt to look further

I would try to have some records pulled from the earliest, and as many as possible.

You can say you started off small and never knew about the taxes etc when you first started so you didn't claim receipts or keep any records as it was for personal gain not a business

Zamper - March 28, 2019, 2:16 pm

(Mar 27, 2019 09:20 PM)N?te Wrote: [\[CITE\]](#) I'm sure if you give them a good amount of receipts they won't have any more reasonable doubt to look further

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I just exported the CVS of my completed trading on Localbitcoins and the way they calculate it is so unfair.

For example: I deposited 1 Bitcoin to Localbitcoins in 2017 and traded it.

They calculated all my profits when trading that bitcoin for paypal and took 25% of that profit.

Additionally to that.

If I deposited 1 Bitcoin to Localbitcoins and I have no proof where I obtained that bitcoin (for example I purchase it) and I don't have a receipt.

Then... Bitcoin in 2017 was worth \$20K USD right?. I have no proof of that purchase, we all know how bitcoins work and when buying bitcoins who the fuck ask for a receipt?

If I have no proof of that purchase of bitcoin, they assume I receive it as a gift.

GIFT = \$20000 USD

So tax center think I gained \$20000 USD I have to pay 25% of that gift.

Fuck this, I will pay my mistake and I hope that bitcoin (the real money , DIGITAL MONEY which are IMPOSSIBLE to print like fiat money) will win this war against the fake money which can be printed or not being recorded in a database like a Blockchain.

And to be honest, I'm not a tax evader, my parents has a work and pay taxes, I want to pay taxes but for my gains, not for my initial investment, makes no sense but I wont stress anymore.

Goverment & Tax center want to make me think that getting involved in bitcoin was a mistake, paying this error will make me love bitcoin more.

BTW: I love you all and I will reply all your PMS once I solve this issue & calm my stress.

typhoid - March 28, 2019, 2:27 pm

same thing happened to me. mfers think i made like 100k on here but it was more like 10k and they want double that fucking assholes. luckily i saved most of my pms

luke - March 28, 2019, 4:10 pm

Rookie move OP. I guess you live and you learn.