







TurboTax Instructions for users with more than 2251 transactions



Under the Wages & Income section, select “Show more” next to Investment Income, and then select “Cryptocurrency.”



All income [Guide me >](#)



 **Wages and Salaries** [Show more](#) 
Form W-2







 **Self-Employment** [Show more](#) 
Schedule C: 1099-MISC, 1099-K, expenses



 **Unemployment** [Show more](#) 
Government benefits on Form 1099-G



 **Other Common Income** [Show more](#) 
Tax refunds, 1099-G, 1099-MISC, 1099-K

 **Interest and Dividends** [Show more](#) 
Forms 1099-INT, 1099-DIV, 1099-OID

 **Investment Income** *Visited 1 of 6* [Show less](#) 
1099-B or broker statements

- Stocks, Mutual Funds, Bonds, Other  [Start](#)
- Capital Loss Carryover  [Start](#)
- Undistributed Capital Gains  [Start](#)
- Contracts and Straddles  [Start](#)
- ISO Exercise and Hold  [Start](#)
- Cryptocurrency  [Revisit](#)

 **Retirement Plans and Social Security** [Show more](#) 
1099-R, IRAs, 401(k), early withdrawals

 **Rentals, Royalties, and Farm** [Show more](#) 
Income and expenses from rentals, patents, oil/mineral rights, and farm

Click “Yes”

[Wages & Income](#)

[Deductions & Credits](#)

[Health Insurance](#)

[Other Tax Situations](#)

[Federal Review](#)

Did you sell or trade cryptocurrency in 2018?

Cryptocurrency includes things like Bitcoin, Ethereum, Ripple, and other digital currencies. You need to report this as income if you did any of the following:

- Converted cryptocurrency to a regular currency like US dollars
- Sold cryptocurrency
- Exchanged one type of cryptocurrency for another
- Spent cryptocurrency to pay for goods or services

This is sometimes reported on Form 1099-K. If you don't have this form, that's okay. We'll help you report this income.

[How many cryptocurrency transactions can I enter?](#)

[Why are you asking for this info?](#)

[What's Form 1099-K?](#)

[< Back](#)

Yes

No

TurboTax online will not let you import more than 2251 transactions. You will have to either use TurboTax desktop/CD (which allows you to import up to 3,000 transactions), or aggregate your transactions and mail in your PDF form 8949 with a Form 8453 and cover letter (we provide this below) to the IRS.

If you elect to purchase the TurboTax desktop/CD version, you will simply download your TXF version of the form 8949 from TaxBit, and upload it into the software under File > Import from TXF.

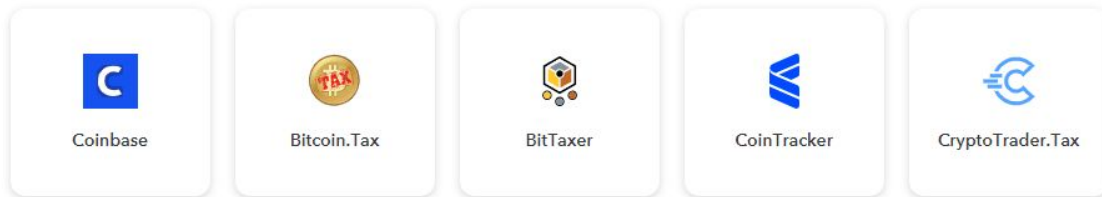
If you elect to aggregate your transactions using TurboTax online, please follow these steps:

Select “I’ll type it in myself” – Please note that TaxBit is currently working with TurboTax on displaying the TaxBit logo on this screen. Nonetheless, in your scenario it doesn’t matter because you are aggregating your transactions and typing them in yourself.

Let's get your cryptocurrency info

Select a cryptocurrency platform and we'll help you import your info

If you don't see the platform you use, you'll have to type your info in yourself.



[What if I need to import my info from more than one platform?](#)

[← Back](#)

[I'll type it in myself](#)

Click “Continue”

Let's get ready to enter your cryptocurrency sales

Before we move on, make sure you've downloaded your CSV file from your cryptocurrency provider. [Learn more](#)

Next, we're going to ask you to enter the following info from your CSV file:

- Exchange name (examples: Coinbase)
- Asset name (examples: Bitcoin, Ethereum)
- Date of purchase
- Cost basis
- Date of sale
- Sale proceeds

We'll walk you through entering everything because some of the info in your CSV may not match what we're asking you to enter.

[← Back](#)





[Continue](#)

You will add a total of up two lines, one line for your short-term aggregated transactions, and one line for your long term aggregated transactions (if you have any).

Let's enter some info about your taxable transactions

Any transactions you add will be reported on your tax return.

[What's a taxable transaction?](#)

Exchange	Asset name	Date of purchase	Cost basis 	Date of sale	Proceeds 	
<input type="text" value="TaxBit"/>	<input type="text" value="Bitcoin"/>	<input type="text" value="01/01/2018"/>	<input type="text" value="\$"/>	<input type="text" value="12/31/2018"/>	<input type="text" value="\$"/>	
<input type="text" value="TaxBit"/>	<input type="text" value="Bitcoin"/>	<input type="text" value="01/01/2017"/>	<input type="text" value="\$"/>	<input type="text" value="12/31/2018"/>	<input type="text" value="\$"/>	

[+ Add another transaction](#)

[How do I enter this info if it doesn't match my CSV?](#)

[< Back](#)

[Continue](#)

As shown above, the exchange represents which service provider compiled your tax information, so enter "TaxBit." For the asset name, enter "Bitcoin." You will notice that the date of purchase differs between the two lines, one being "01/01/2018" and the other being "01/01/2017." The first line represents your short term transactions (held for 365 days or less), and the second line represents your long term transactions (held for more than 365 days). Enter in "12/31/2018" for the date of sale on both lines.

Next, we need to aggregate your cost basis and proceeds for each of the lines. To do this, download the PDF Form 8949 from TaxBit. There are two parts to this form, Part 1 Short-Term and Part 2 Long-Term.

Part 1 represents line 1 in your TurboTax manual entry screen (shown above), and Part 2 represents line 2 on the TurboTax manual entry screen. Go to the bottom of Part 1, and look at the total summed in column e, cost basis. Enter that total into line 1, cost basis. Next, look at the total summed in column d, proceeds. Enter that total into line 1, proceeds.

Repeat this same exercise for Part 2 Long-Term, entering the sums of column D and E into line 2 of the TurboTax manual entry screen. You may not have any Part 2 Long-Term transactions, and if that's the case, remove line 2 from the TurboTax screen.

Form **8949** **Sales and Other Dispositions of Capital Assets** **2018**

Continuation (modified) Go to www.irs.gov/Form8949 for instructions and the latest information. File with your Schedule D to list your transactions for lines 1b, 2, 3, 8b, 8, and 10 of Schedule D.

Name(s) shown on return: **Austin Woodward** Social security number or taxpayer identification number: _____

Part I Short-Term Continued...

(a) Description of property (Example: 100 sh XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold or disposed of (Mo., day, yr.)	(d) Proceeds (sales price) (see instructions)	(e) Cost or other basis. See the Note below and see Column (c) in the separate instructions	Adjustment, if any, to gain or loss. If you enter an amount in column (g), enter a code in column (f).		(h) Gain or (loss). Subtract column (c) from column (d) and combine the result with column (g)
					(f) Code(s) from instructions	(g) Amount of adjustment	
2. ARK	12/19/2017	01/04/2018	14.50	13.82			0.68
110.23 ARK	12/19/2017	01/04/2018	799.17	761.69			37.48
			89620.84	106165.83			(16544.99)

2 Totals. Add the amounts in columns (d), (e), (g), and (h) (subtract negative amounts). Enter each total here and include on your Schedule D, line 1b (if Box A above is checked), line 2 (if Box B above is checked), or line 3 (if Box C above is checked).

Note: If you checked Box A above but the basis reported to the IRS was incorrect, enter in column (c) the basis as reported to the IRS, and enter an adjustment in column (g) to correct the basis. See Column (g) in the separate instructions for how to figure the amount of the adjustment.

Once you have entered in the sum totals from your PDF Form 8949, select “Continue”

Let's enter some info about your taxable transactions

Any transactions you add will be reported on your tax return.

[What's a taxable transaction?](#)

Exchange	Asset name	Date of purchase	Cost basis [?]	Date of sale	Proceeds [?]	
TaxBit	Bitcoin	01/01/2018	\$106,165.83	12/31/2018	\$89,620.84	

[+ Add another transaction](#)

[How do I enter this info if it doesn't match my CSV?](#)

[< Back](#)

[Continue](#)

Click “Continue”

Here's a summary of your taxable transactions

These transactions will be reported on your return. You can remove them or add more if you'd like.

[What's a taxable transaction?](#)

ENTERED TRANSACTIONS

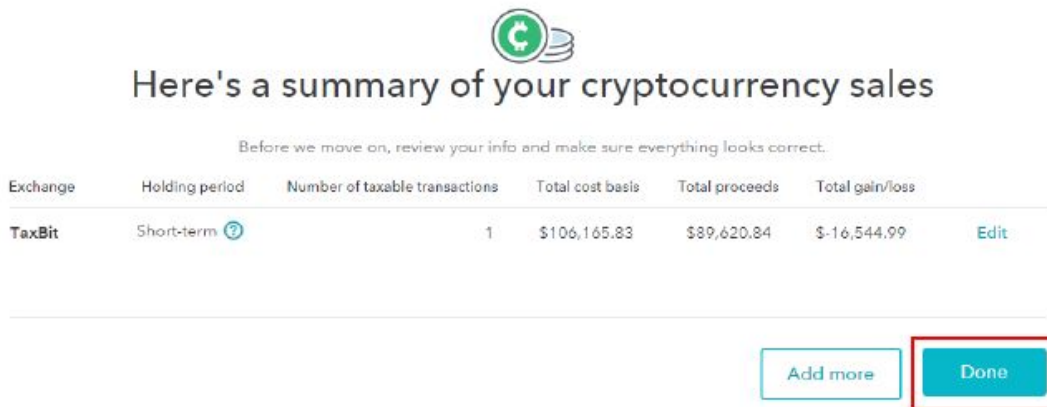
Exchange	Asset name	Date purchased	Cost basis	Date sold	Proceeds	Gain/(Loss)
TaxBit	Bitcoin	01/01/2018	\$106,165.83	12/31/2018	\$89,620.84	-\$16,544.99

[< Back](#)


[Add more](#)

[Continue](#)

Click "Done."



The screenshot shows a summary page for cryptocurrency sales. At the top, there is a green Bitcoin icon and the heading "Here's a summary of your cryptocurrency sales". Below this is a sub-heading: "Before we move on, review your info and make sure everything looks correct." A table follows with columns: Exchange, Holding period, Number of taxable transactions, Total cost basis, Total proceeds, and Total gain/loss. The table contains one row for "TaxBit" with a holding period of "Short-term" (indicated by a question mark icon), 1 transaction, a total cost basis of \$106,165.83, total proceeds of \$89,620.84, and a total gain/loss of \$-16,544.99. An "Edit" link is present at the end of the row. Below the table are two buttons: "Add more" and "Done", with the "Done" button highlighted by a red border.

Exchange	Holding period	Number of taxable transactions	Total cost basis	Total proceeds	Total gain/loss	
TaxBit	Short-term 	1	\$106,165.83	\$89,620.84	\$-16,544.99	Edit

You are now all set as far as TurboTax goes. TurboTax now has the correct information to accurately capture the impact of your cryptocurrency trades. However, because you aggregated your transactions, the IRS will only see the 1-2 lines that you submitted. We recommend downloading the PDF Form 8949 and mailing it to the IRS with Form 8453 and the cover letter provided below so that they have all the transaction details that make up the aggregated totals that you reported.

When mailing the completed Form 8949, Form 8453, and cover letter **make sure that you write in your name and social security number** on the pages of the form where it asks for such information.

A form 8453 should be included with your form 8949 in order to identify the reason you are providing this form by mail. You can check the last box on the first page labeled "*Form 8949, Sales and Other Dispositions of Capital Assets (or a statement with the same information), if you elect not to report your transactions electronically on Form 8949*"

You can complete and print a form 8453 here: <https://www.irs.gov/pub/irs-pdf/f8453.pdf>

The mailing address of where to send your PDF Form 8949 varies by state, and can be found here: <https://www.irs.gov/filing/where-to-file-paper-tax-returns-with-or-without-a-payment>

Select your state, and mail to the address that populates in the row Form "1040" and column "ARE NOT ENSLOSING PAYMENT."

You may use the cover letter included on the next page when mailing in your PDF Form 8949.

Your Name

Address

City, State, Zip

Department of the Treasury

Internal Revenue Service IRS

City, State, Zip (found from link on previous page)

Dear Sir or Madame,

Enclosed is a copy of my completed form 8949, which I submitted electronically when filing my 2018 tax return. Additionally, a form 8453 is enclosed to indicate the reason for the provided form 8949. The tax filing software that I used couldn't support the number of transactions contained on this form, so I aggregated the totals on this form when filing electronically. This completed form 8949 shows each of the individual transactions that sum up to the aggregated totals that I reported electronically. It is included here for your reference.

Sincerely,

Signature

Your Name