CoinTracker

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2026 Crypto Tax Readiness Report



April 2026

Introduction

This report aims to establish a shared understanding of the modern crypto user and their approach to cryptocurrency tax compliance. Drawing from our latest survey data, we shed light on crypto users who overwhelmingly intend to be tax compliant, yet face significant confusion and complexity in the current tax landscape. Crypto users is a broad term as these are individuals who don't just "use" crypto, they are investors, they are digital artists, they are believers in the veracity of the blockchain. Understanding these users – who they are, what they know, and where they struggle – is essential for developing effective solutions and communications, particularly because of the ever-present problem of tracking cost basis across multiple crypto exchanges, and as new tax forms and regulations, such as the Form 1099-DA requirements, take effect.

This report was produced by Coinbase and CoinTracker.

About the research

This survey was conducted between September 9th through October 3rd, 2025, prior to the start of the tax year 2025 reporting season, surveying 3,000 U.S. crypto users.

Note that some chart totals may not equal 100% due to multi-select questions or rounding.

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Executive summary

The data reveals that today's crypto user is a mainstream participant in the financial world: 76% also invest in traditional stocks, and 83% have investments outside of crypto. Crucially, they are not tax avoiders; 74% are aware that crypto is taxable, 65% have previously reported crypto activity, and 15% have never needed to report as they have not yet had any taxable activity (e.g, buy and hold).

However, this intent to comply is undermined by widespread confusion and complexity on crypto taxability. While 56% claim to have at least a good grasp on the basics of crypto taxes, almost two-thirds were unaware of the upcoming 2025 tax rules. The fundamental concept of taxability is often misunderstood, as only 49% correctly understand that crypto is taxable anytime it is sold, while almost a quarter mistakenly believe simple transfers trigger tax events. The multi-platform reality of crypto ownership – with users averaging 2.5 platforms/wallets and 83% using self-custodial wallets – exacerbates the cost basis problem (the original purchase price of an asset) with only 35% reporting that they'd adjusted their cost basis in the past.

In seeking solutions, most users rely on general tax software (78%) and/or accountants (52%), with only 8% currently using crypto-specific vendors. Users are turning to AI to complete their tax-related tasks and scour for additional deductions and savings, including making calculations for taxable income, cost basis, and capital gains (47%), receiving personalized tax recommendations (43%), and 30% go as far as saying they rely on AI to complete the entire tax process.

This environment of high compliance intent but low functional understanding highlights a critical need for accessible, accurate, and integrated crypto tax solutions.

Profile of the crypto user: compliant and eager to learn

Today's crypto user is a mainstream financial participant, viewing digital assets as a core part of a diversified portfolio. A significant majority (76%) also invest in traditional stocks (Fig. 2), and 83% hold other non-crypto assets like bonds and commodities (Fig. 1).

Figure 1

Market

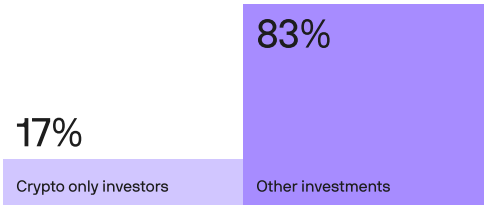
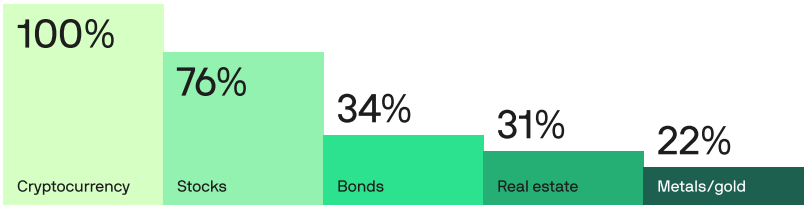


Figure 2

Market



Crypto investors seek and value tax compliance. 74% are aware their crypto activity is taxable (Fig. 3), and only 10% believe it is not taxable. This suggests a strong trend toward tax compliance within the crypto community. As seen in Fig. 4, the majority of respondents indicated they have either reported crypto activity on their taxes in the past (65%) or have not needed to (15%) because they have not yet done any taxable crypto activity - which is likely the result of "buy and hold" activity. This refutes the misconception of widespread crypto tax avoidance.

Figure 3

Market

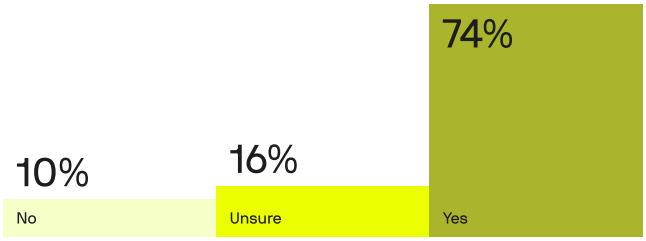
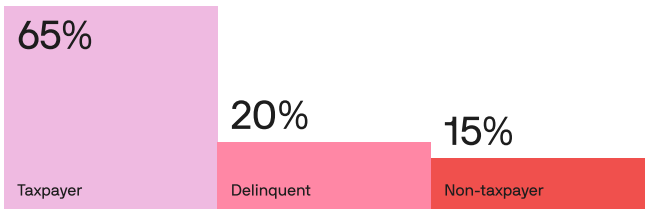


Figure 4

Market



Crypto investors also struggle with rapidly evolving legislation. 56% rate their knowledge of crypto tax rules as good or excellent (Fig. 5), but almost two-thirds (61%) were unaware of specific tax rules slated for 2025 tax year reporting (Fig. 6).

Figure 5

Market

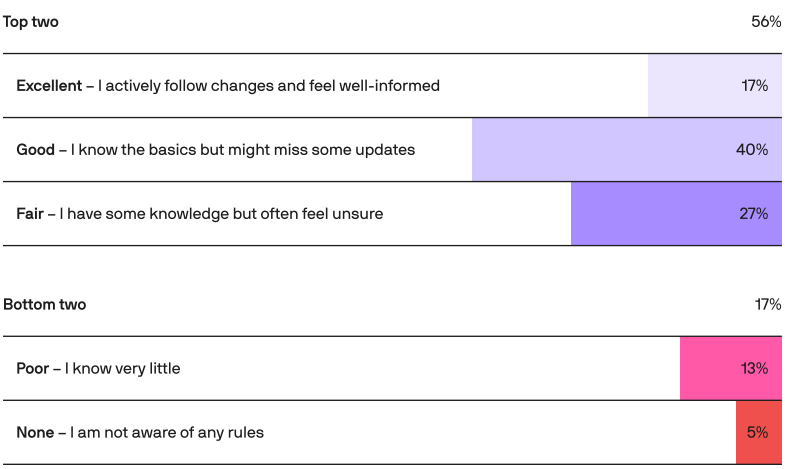
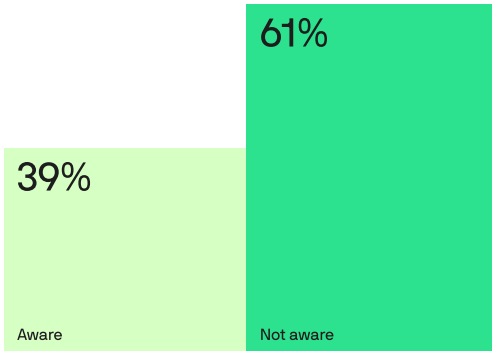


Figure 6

Market



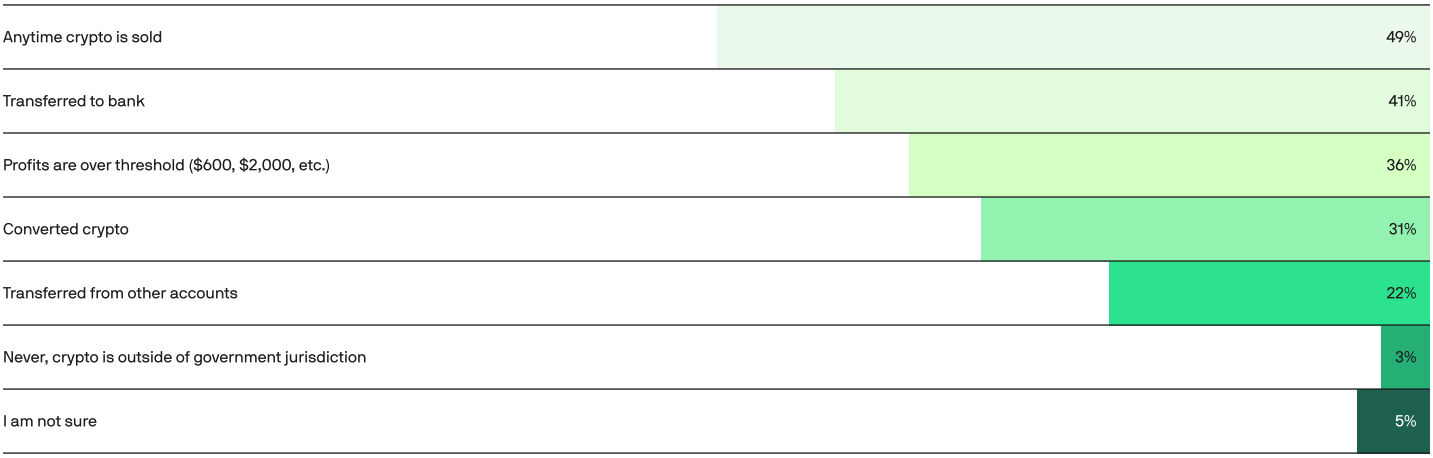
For 2025 tax year reporting, the IRS introduced a new Form 1099-DA, which reports gross proceeds for digital asset transactions. Brokers are not currently required to report cost basis on Form 1099-DA to the IRS for tax year 2025. Although some brokers may provide cost basis on the recipient's copy of Form 1099-DA as a courtesy, users remain responsible for calculating the adjusted cost basis for all their 2025 crypto transactions, including reconciling digital asset movements across various platforms, and accurately reporting this information on their personal tax returns.

Ever-present problems: confusion on taxability and the cost basis conundrum

Despite their best intent, many crypto users are confused about what constitutes a taxable activity (Fig. 7). Less than half (49%) of the market correctly understands that a tax event is triggered every time crypto is sold. A large portion of users mistakenly believe other actions trigger taxability, like 41% think transferring to a bank account makes crypto "taxable."

Figure 7

Crypto transactions are taxable when...



Transfers between wallets and exchanges are frequent and common with 71% of crypto users saying they transferred crypto between two wallets or platforms they own at some point (Fig. 8). The challenge with transfers is tracking the transactional data – specifically the cost basis of received assets – at the time-of-sale. Cost basis calculations need to be computed for every transaction – regardless of where the transaction has taken place – via wallets, centralized exchanges, DeFi platforms, NFT markets, etc.

Figure 8

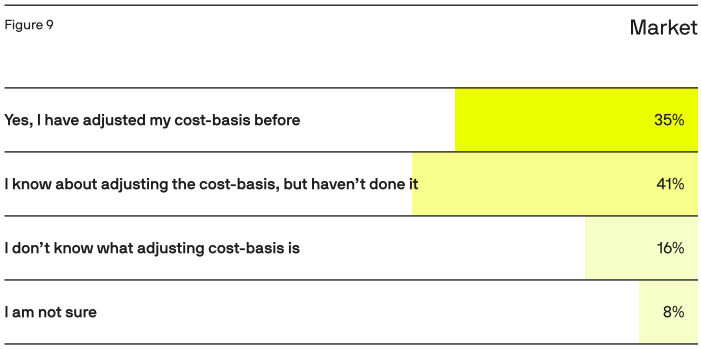
Transferred crypto between their wallets



A significant issue arises because that exchange cannot access the asset's original purchase price from the exchange it was transferred from, as exchanges do not share customer transaction information with each other. Consequently, the cost basis information provided on Form 1099-DA from exchanges will be incomplete for the transferred asset. Crypto users will have to reconcile the transaction data and report this separately to the IRS. If the cost basis is not provided to the IRS, the IRS could assume the original cost basis was $0, which results in overstated gains.

While 76% are aware of the industry issue that may require cost basis adjustments, only 35% reported adjusting their cost basis in the past (Fig. 9).

Figure 9



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The story this data tells is one of uncertainty. Users are struggling to navigate the complexities of crypto taxation, which is why it's so important for us to help bridge that knowledge gap. With the resources we've made available this tax season, our goal is to help our users reconcile unknown cost basis data, understand their requirements, and file accurately with confidence."



Lawrence Zlatkin
Vice President of Tax, Coinbase

CoinTracker

Users need to be aware of the costly repercussions of inaccurate or incomplete digital asset tracking. While crypto brokerages will provide 1099-DA forms this tax year, users are responsible for correctly computing their cost basis, holding period and actual gains or losses. This cost basis issue is uniquely hard to solve, and that's why the right crypto tracking technology and data is key for tax compliance."



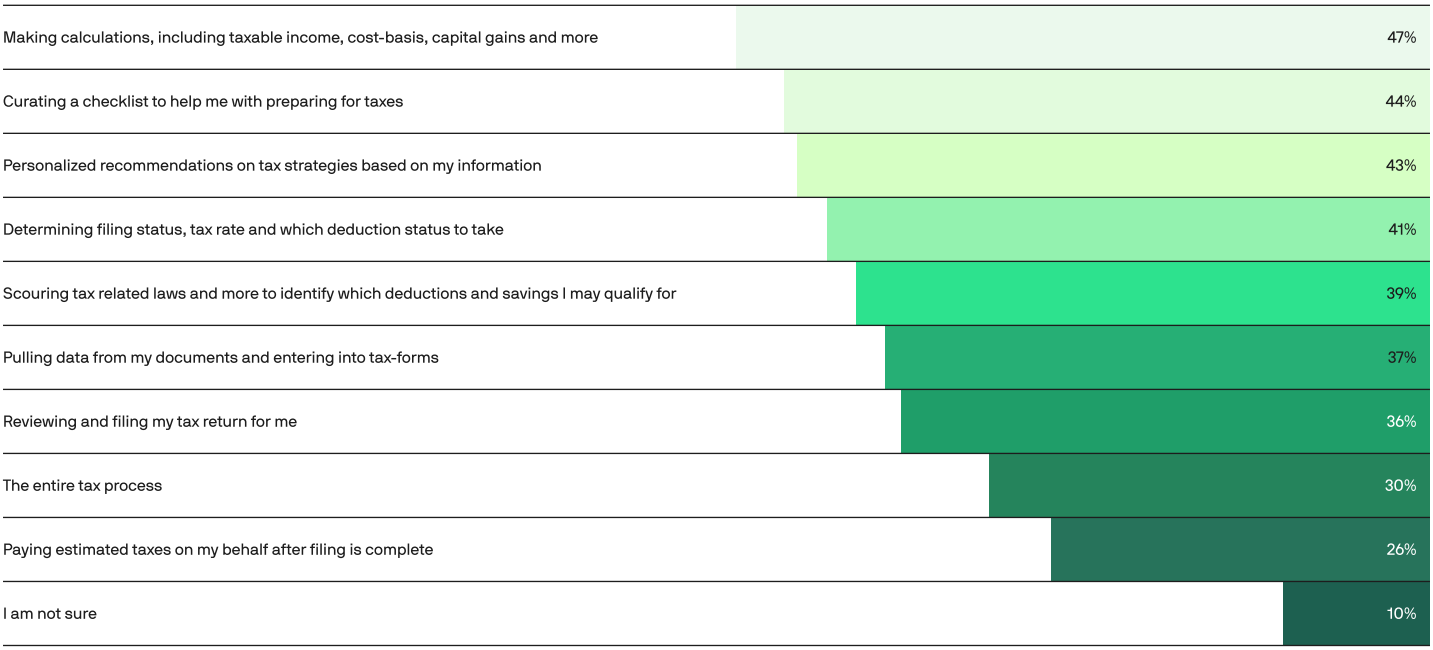
Shehan Chandrasekera
CPA, Head of Tax Strategy, CoinTracker

Tax filing assistance: AI interest and traditional methods

A growing interest in AI for complex tax tasks is evident, with more than a third of users actively seeking AI assistance to solve their crypto tax problems. Concerning its usage, they are comfortable using AI for several tax-related tasks (Fig. 10): 47% say they'd use AI for making calculations including taxable income, cost basis, capital gains and more. 43% say AI could give them personalized recommendations on tax strategies, and 39% would be using AI for scouring tax related laws to identify more deductions and savings. 30% go as far as saying they could rely on AI to complete the entire tax process.

Figure 10

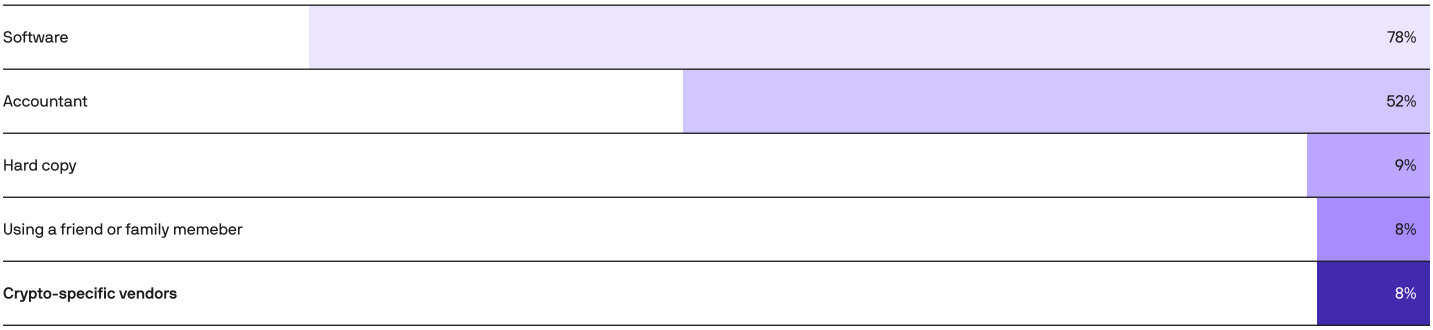
I would be comfortable using AI tools (like Chat GPT) for the following tax-related tasks...



While curiosity in AI grows, there remains a strong preference for established methods of tax preparation (Fig. 11). 78% use general tax software and 52% use accountants. In contrast, only a small fraction of the market – just 8% of crypto users – currently utilizes crypto-specific tax reconciliation solutions, despite the heightened complexity of this year's crypto tax preparation.

Figure 11

What do you use to file your taxes?



Coinbase and CoinTracker are partnering to make crypto taxes easier to understand, allowing crypto users to build more confidence in their use of digital assets, no matter how many platforms they leverage.

Coinbase doesn't provide tax advice. Information here is provided to help customers understand their taxes, but should be reviewed before a customer uses it to file their taxes. To ensure this information works for you, please work with a professional. Certain links that may be provided in the materials are provided for convenience and do not imply Coinbase's endorsement, or approval of any third-party websites or their content.

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