

# BONUS RESOURCE 1

## Quick-Start Checklist: Your Complete Bitcoin Tax Action Plan

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### **BITCOIN TAX STRATEGY The Self-Custody Holder's Complete Action Checklist**

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#### **PHASE 1 — KNOW WHERE YOU STAND**

- Complete the 8-question self-assessment quiz (Chapter 1) to identify your overpayment risk level
  - List every wallet address and exchange account you have used in the past 3 years
  - Download your complete transaction history from every exchange (CSV format — do this now before exchanges purge old records)
  - Identify which transactions involved self-custody transfers between your own wallets
  - Run the Baseline Liability Worksheet (Chapter 2) to calculate your current FIFO tax exposure
  - Write down that number. That is what you are solving.
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#### **PHASE 2 — UNDERSTAND THE RULES THAT APPLY TO YOU**

- Confirm how the IRS classifies Bitcoin (property, not currency — Chapter 3)
  - Identify every disposal event in your history: sales, swaps, spending, gifts sent
  - Confirm which transfers between your own wallets are NOT taxable events (Chapter 4)
  - Use the Taxable Event Checklist to flag any transactions you may have miscategorized
  - Flag every lot you held for under 12 months (short-term) and over 12 months (long-term)
  - Note the date each remaining unrealized lot crosses the 12-month threshold
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#### **PHASE 3 — CHOOSE AND IMPLEMENT YOUR METHOD**

- Run the Method Comparison Calculator Worksheet (Chapter 5) using your own purchase history
- Compare FIFO, LIFO, HIFO, and Specific ID outputs side by side
- Use the Method Selection Decision Tree (Chapter 6) to identify your optimal method
- Document your method selection in writing — date it and keep it with your tax records
- If you moved Bitcoin between wallets before January 1, 2025: complete the safe harbor transition (Chapter 7)
- Complete the Wallet Reconciliation Checklist for every wallet you hold

- Build your Master Transaction Log (Chapter 8) with all required IRS fields
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#### **PHASE 4 — REDUCE WHAT YOU OWE**


- Use the Rate Optimization Planner (Chapter 9) to map your income bracket to your LTCG rate
  - Calculate the exact dollar saving from waiting until each lot crosses the 12-month threshold
  - Review your portfolio quarterly for tax-loss harvesting opportunities (Chapter 10)
  - Use the Harvesting Opportunity Log to track unrealized losses and identify eligible lots
  - If harvesting: document the sale, note intent to repurchase, record the repurchase date
  - If gains exceed approximately \$50,000: review donation, gifting, and retirement account strategies (Chapter 11)
  - Use the Strategy Eligibility Filter to identify which advanced strategy fits your situation
  - Set up your quarterly review calendar using the Annual Bitcoin Tax Calendar (Chapter 12)
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#### **PHASE 5 — FILE WITH CONFIDENCE**

- Locate every Form 1099-DA you received this filing year
  - Use the 1099-DA Reconciliation Worksheet (Chapter 13) to compare reported figures against your own records
  - Flag any discrepancies between 1099-DA proceeds and your transaction log
  - If cost basis is missing or zero on your 1099-DA: prepare your own cost basis documentation
  - Transfer reconciled gain/loss data to Form 8949 using the correct method designation
  - Confirm Schedule D totals match your Form 8949 summary lines
  - Complete the 18-point Pre-Filing Checklist (Chapter 14) before submitting
  - Assess whether your situation warrants a CPA with crypto expertise (Chapter 14 criteria)
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#### **PHASE 6 — BUILD THE SYSTEM**

- Complete the Complete Bitcoin Plan Self-Audit (Chapter 15)
  - Score yourself across all three domains: security, accumulation, tax
  - Schedule your first quarterly tax review (no longer than 2 hours)
  - Set calendar reminders for Q4 harvesting window (October–December)
  - Set a reminder to review your method selection before the next filing year opens
  - Identify which of the three domains needs attention next
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 **Download the fillable PDF version of this checklist — plus the full workbook, templates, and bonus resources — at:**

[www.kryptowolfbtc.com](http://www.kryptowolfbtc.com)

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