

Sample article for organizations to use to reach customers

Customize and post the following article on your websites and/or use in other communication vehicles to help your customer understand how virtual currency transactions are treated for federal tax purposes.

What is virtual currency?

Virtual currency is a digital representation of value. If you use virtual currency to pay for goods or services, you need to know how virtual currency transactions are treated for federal tax purposes. In some environments, virtual currency operates like “real” currency — the coin and paper money of the United States or of any other country that is legal tender, circulates, and is used and required to be accepted to pay for goods or services. Virtual currency, however, is not legal tender.

Virtual currency is available in various online forms and can be digitally traded between users, or exchanged for other virtual currency forms. It can also be purchased or exchanged into U.S. dollars and money from other countries, such as euros.

See [IRS Notice 2014-21](#) for answers to questions about the tax treatment of virtual currency transactions. Additional information is available on the IRS.gov [Virtual Currencies](#) page.

NOTE TO EDITOR: Below are additional resources you can share with your customers.

On Twitter? Send this Tweet to your customers:

Virtual currency like [#Bitcoin](#) to be treated as property for Federal [#tax](#) purposes go.usa.gov/KGbQ [#IRS](#)