

## Transitional guidance under section 6050I with respect to the reporting of information on the receipt of digital assets

### Announcement 2024-4

Section 80603(b)(3) of the Infrastructure Investment and Jobs Act, Pub. L. No. 117-58, 135 Stat. 429, 1339 (2021) (Infrastructure Act) amended section 6050I of the Internal Revenue Code<sup>1</sup> to add digital assets to the list of assets included in the definition of cash in section 6050I(d). This announcement provides transitional guidance under section 6050I with respect to reporting transactions involving receipt of digital assets and clarifies that at this time, digital assets are not required to be included when determining whether cash received in a single transaction (or two or more related transactions) meets the reporting threshold. The Department of the Treasury (Treasury Department) and the Internal Revenue Service (IRS), however, intend to prescribe regulations, to provide additional information and procedures for reporting the receipt of digital assets under section 6050I.

Under section 6050I(a), any person (the recipient) engaged in a trade or business who, in the course of that trade or business, receives cash in excess of \$10,000 in one transaction (or two or more related transactions) must file an information return reporting the receipt of cash. The regulations require that the return must be filed on Form 8300, Report of Cash Payments Over \$10,000 Received in a Trade or

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<sup>1</sup> Unless otherwise specified, all “Section” references are to sections of the Code or the Income Tax Regulations (26 CFR part 1).

Business, within 15 days of the receipt of cash and report specified information. See section 1.6050I-1(a) and (e). Section 6050I also requires persons required to file Form 8300 to furnish an annual written statement to each payer whose name is required to be set forth on the Form 8300.

Section 80603(b)(3) of the Infrastructure Act amended section 6050I(d) to expand the definition of the term “cash” to include any digital asset as defined in section 6045(g)(3)(D). All of the amendments made by section 80603 of the Infrastructure Act apply to returns required to be filed, and statements required to be furnished, after December 31, 2023. The Treasury Department and the IRS published a Notice of Proposed Rulemaking on August 29, 2023, that includes proposed rules clarifying the definition of the term digital assets found in section 6045(g)(3)(D). 88 Fed. Reg. 59576 (Aug. 29, 2023). These proposed regulations have not yet been finalized.

The Treasury Department and the IRS intend to implement section 80603(b)(3) of the Infrastructure Act by publishing regulations specifically addressing the application of section 6050I to digital assets and by providing forms and instructions for reporting that address the inclusion of digital assets. Accordingly, until the Treasury Department and the IRS publish regulations under section 6050I to implement section 80603(b)(3) of the Infrastructure Act, persons engaged in a trade or business who, in the course of that trade or business, receive digital assets or digital assets and other cash in one transaction (or two or more related transactions) will not be required to include those digital assets when determining whether cash received has a value in excess of the \$10,000 reporting threshold for purposes of determining if reporting is required under section 6050I with respect to those transactions. Persons engaged in a trade or

business who, in the course of that trade or business, receive cash (other than digital assets) in excess of \$10,000 in one transaction (or two or more related transactions) must continue to file an information return under section 6050I with respect to that cash received.

Nothing in this announcement affects the income tax obligations of persons engaged in a trade or business who receive digital assets and persons who use digital assets to make any payments in the types of transactions described above. See [Frequently Asked Questions on Virtual Currency Transitions](#) for additional information.

The principal author of this announcement is the Office of the Associate Chief Counsel (Procedure & Administration). For further information regarding this announcement, please call (202) 317-5436 (not a toll-free number).