



Wolters Kluwer

# 2022 Cryptocurrency and Taxes Update Course Instructions

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## Instructions to Participants

To assist the participant with navigating the learning process through to successful completion, this course has been produced with the following elements:

**Overview of Topics / Table of Contents:** In this electronic format you'll find a slide menu on the left side of the screen. This serves as your overview of topics for the program. You may navigate to any topic by clicking on the slide name.

**Definition of Key Terms / Glossary:** You'll find key terms defined for this program in the course information on the following page(s).

**Index / Key Word Search:** You can find information quickly in the PDF materials (slide handout plus any additional handouts) by using the search function built into your Adobe Reader.

**Review Questions:** Questions that test your understanding of the material are placed throughout the course. You'll see explanatory feedback pop up for each incorrect answer, and reinforcement feedback for the correct answer for every review question.

**Final Exam:** The final exam measures if you have gained the knowledge, skills, or abilities outlined in the learning objectives. You may submit your final exam at the end of the course. Exams are graded instantly. A minimum score of 70% is required to receive the certificate of completion. **You have one year from date of purchase to complete the course.**

**Course Evaluation:** Once you have successfully passed your online exam, please complete our online course evaluation. Your feedback helps Wolters Kluwer maintain its high quality standards!

## About This Course

This section provides information that is important for understanding the course, such as course level and prerequisites. Please consider this information when filling out your evaluation after completing the course.

**Publication Date:** June 2022

### Course Description

Are you interested in how cryptocurrencies were developed and how they work? Does blockchain technology provide sufficient security for cryptocurrencies? What are the advantages and disadvantages of using cryptocurrencies? What are the tax consequences of investing in cryptocurrencies or using them for personal or business transactions?

This course is designed for individuals who would like to obtain a basic understanding of crypto currency. The course will cover the history of virtual currencies and explain how they work. We will review some of the legal issues involved with virtual currencies. The course will cover the advantages and disadvantages of using virtual currencies. We will review the IRS rules for tracking and reporting crypto currency transactions for tax purposes.

This course has been updated for new developments including new laws, regulations, and tax forms.

### Learning Objectives

Upon successful completion of this course, participants should be able to:

- Describe cryptocurrency
- Recognize the tax implications of using or investing in cryptocurrency
- Identify which type of virtual currency is similar to coupons such as frequent flyer miles with airlines and Amazon coin
- Identify one of the disadvantages of cryptocurrency
- Describe what year Bitcoin was first released
- Describe the situation when scammers use your computer or smartphone's processing power to "mine" cryptocurrency for their own benefit, and without your permission
- Recognize how virtual currency is treated for federal tax purposes

### NASBA Field of Study

Taxes. Some state boards may count credits under different categories—check with your state board for more information.

### Course Level

Basic. Program knowledge level most beneficial to CPAs new to a skill or an attribute. These individuals are often at the staff or entry level in organizations, although such programs may also benefit a seasoned professional with limited exposure to the area.

### Prerequisites

None.

**Advance Preparation**

None.

**Course Expiration**

AICPA and NASBA Standards require all Self-Study courses to be completed and the final exam submitted within 1 year from the date of purchase as shown on your invoice. No extensions are allowed under AICPA/NASBA rules.

## Key Terms

- **Bitcoin:** A type of digital currency in which a record of transactions is maintained, and new units of currency are generated by the computational solution of mathematical problems, and which operates independently of a central bank.
- **Block:** A list of transactions recorded onto a ledger over a period of time.
- **Blockchain:** A collaborative, tamper-resistant ledger that maintains transactional records.
- **Chain:** A hash that links one block to another.
- **Cryptocurrency:** A digital currency in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds, operating independently of a central bank.
- **Wallet:** An app that allows cryptocurrency users to store and retrieve their digital assets.