



Digital Assets: From Crypto to Compliance

KPMG Information Reporting & Withholding
Tax Services

IRS Issued Draft 2026 Versions of Form 1099-DA and Form 1099-B

IRP e-Alerts | Issue Issue Number: 2025-50 | September 9, 2025

On September 4th, the Internal Revenue Service (IRS) issued draft 2026 versions of Form 1099-DA, Digital Asset Proceeds from Broker Transactions, and Form 1099-B, Proceeds from Broker and Barter Exchange Transactions. Both forms have been updated to provide separate entry fields for each address component. This change aligns with the IRS's Information Returns Intake System (IRIS), which requires parsed or separate data fields or submissions, marking a departure from the legacy FIRE system.

There were no other substantive changes to Form 1099-B. However, Form 1099-DA includes a few notable revisions:

- The description for box 11c has been updated to 'Aggregate gross proceeds of specified NFTs attributable to first sales by a creator or minter'. Previously, this box indicated that the gross proceeds amount was also included in box 1f. In the Instructions for Recipient, the word "aggregate" has been added to clarify that box 11c should report aggregate gross proceeds from specified non-fungible tokens (NFTs) attributable to first sales.
- The Instructions for Recipients also added a note that boxes 1d, 1e, 1g, 1h, 1i, 2, 3a, 3b, 5, 6, 8, 9, 12a, and 12b may be left blank if the broker is reporting sales of qualifying stablecoins or specified NFTs using an optional reporting method.
- Instructions for box 1a, Code for digital asset, have been updated to clarify that DTIF stands for "Digital Token Identifier Foundation", correcting the earlier reference to "Digital Token Identification Foundation".

KPMG Observations and Background

The IRS released an updated version of the 2025 Form 1099-DA instructions in June (May 30, 2025, revision). The updated instructions clarified that brokers using the optional method for reporting sales of specified NFTs must file two separate Forms 1099-DA if reporting both gross proceeds attributable to first sales by a creator or minter and gross proceeds attributable to specified NFT sales that are not first sales. With respect to the form reporting on first sales, the total gross proceeds from those first sales should be reported in box 11c, and box 1f is left blank. For more information about the updated 2025 Form 1099-DA instructions, see KPMG IRP e-Alert #2025-37, [here](#).

The update to the box 11c description in the draft 2026 Form 1099-DA aligns with the updated 2025 instructions to the form. Interestingly, the IRS has not updated the 2025 Form 1099-DA that was finalized in January, despite the fact that the description to box 11c on the face of the form implies that the aggregate gross proceeds reported in that box are also reported in box 1f. As noted, that direction specifically contradicts the updated 2025 instructions that box 1f is left blank, which will likely lead to confusion as we approach the first reporting season for Form 1099-DA.

As a reminder, Notice 2024-56 provided general transitional relief from reporting penalties for any broker who does not timely and accurately file information returns and furnish payee statements for sales and exchanges of digital assets during the 2025 calendar year, provided that the broker makes a good faith effort to comply with the reporting obligations. The Notice also provided transitional relief from backup withholding for digital asset sales effected by a broker where the reportable proceeds is a specified NFT until further guidance is issued.

Reference

For further information, see the draft 2026 versions of Form 1099-DA, [here](#), and Form 1099-B, [here](#).

Contacts

Laurie M. Hatten-Boyd

206-213-4001

lhattenboyd@kpmg.com

Susan Cataldo

617-988-1013

susancataldo@kpmg.com

Jesse Eggert

202-533-5512

jeggert@kpmg.com

Quentin Hoffman

212-872-5610

qhoffman@kpmg.com

Michael Mattaliano

212-758-9700

mmattaliano@kpmg.com

Colin Monroe

617-988-5452

cmonroe@kpmg.com

Jignasha Patel

212-954-4115

jignashapatel@kpmg.com

Zevy Reich

972-3-684-8920

zreich@kpmg.com

Tara Thomas

212-954-6703

tarathomas@kpmg.com

Kelli Wooten

404-739-5888

kwooten@kpmg.com

Mike Chan

212-954-4935

mikechan@kpmg.com

Steven M. Friedman

202-533-4110

smfriedman@kpmg.com

Melissa Leonard

617-988-5821

melissaleonard@kpmg.com

Andrew McQuilkin

617-988-5857

amcquilkin@kpmg.com

Natasha Mupfunya

212-758-9700

nmupfunya@kpmg.com

Elis A. Prendergast

212-954-1968

eprendergast@kpmg.com

Gerard Rose

203-356-9800

gerardrose@kpmg.com

Sophana Trainor

617-988-1007

strainor@kpmg.com

Meghan M Anderson

585-454-1644

meghananderson@kpmg.com

Lani Chou

617-988-1000

lanichou@kpmg.com

Philip Garlett

415-963-5179

pgarlett@kpmg.com

Paul Malboeuf

212-954-1267

pmalboeuf@kpmg.com

Viraj Menon

212-872-6657

virajmenon@kpmg.com

Mark Naretti

212-872-7896

marknaretti@kpmg.com

Carianne Quirk

212-954-8478

cariannequirk@kpmg.com

Christopher Shott

212-409-4145

cshott@kpmg.com

Brian Zummo

212-758-9700

bzummo@kpmg.com

Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

Learn about us:



kpmg.com

The information contained herein is not intended to be "written advice concerning one or more Federal tax matters" subject to the requirements of section 10.37(a)(2) of Treasury Department Circular 230.

The information contained herein is of a general nature and based on authorities that are subject to change. Applicability of the information to specific situations should be determined through consultation with your tax adviser.

© 2024 KPMG LLP, a Delaware limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. USCS022003-1D

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.