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Rev. Rul. 2023-14: Cryptocurrency rewards included in income when taxpayer gains dominion and control over rewards

The IRS today released an advance version of [Rev. Rul. 2023-14](#) [PDF 92 KB], which provides that if a cash-method taxpayer stakes cryptocurrency native to a proof-of-stake blockchain and receives additional units of cryptocurrency as rewards when validation occurs, the fair market value of the rewards received is included in the taxpayer's gross income in the tax year in which the taxpayer gains dominion and control over the rewards.

The fair market value is determined as of the date and time the taxpayer gains dominion and control over the rewards.

The revenue ruling also clarifies that this is also the case if a taxpayer stakes cryptocurrency through a cryptocurrency exchange and the taxpayer receives additional units of cryptocurrency as rewards as a result of the validation.

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