**Exploratory Interview + Usability Test into Taxpayer Experiences with Digital Asset Reporting**

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**Objective:**

To understand the workflow and challenges taxpayers face when reporting digital assets and to assess the effectiveness and clarity of guidance provided on the IRS.gov Digital Asset page.

**Methodology:**

1. Participant Selection (7 users per group):
   * **User Group A - New Digital Asset Taxpayers:**
     + **Description:** Individuals new to investing or trading in digital assets, facing their first tax reporting cycle with these assets.
   * **User Group B - Experienced Digital Asset Investors:**
     + **Description:** Taxpayers with multiple years of experience in digital asset investments, familiar with various tax reporting cycles.
   * **User Group C - Taxpayers with Complex Digital Asset Portfolios:**
     + **Description:** Individuals who have a diverse range of digital assets, including various cryptocurrencies, NFTs, and perhaps involvement in staking or mining.
   * **User Group D - Taxpayers with Simple Digital Asset Transactions:**
     + **Description:** Individuals who have straightforward digital asset transactions, such as purchasing and selling a single type of digital asset.
2. Key Areas of Focus:
   * Understand the end-to-end process taxpayers follow, from gathering information to filing reports.
   * Identify specific pain points, such as understanding tax obligations, tracking transactions, and using third-party tools.
   * Evaluate how effectively IRS.gov resources guide and inform the reporting process.
3. Interview Structure:

Semi-structured, 60-minute remote interviews tailored to the 4 user segments:

* + First-Time DA Filers:
    - What types of digital assets does your portfolio mainly consist of? (Convertible virtual currency and cryptocurrency, NFTs, stablecoins)
    - How did you first learn about your tax obligations for digital assets?
    - What resources do you use to understand how to report your digital assets?
    - Are there any parts of the reporting process that seem particularly confusing or challenging for you?
    - How do you plan on reporting your Digital Asset transactions in this upcoming filing season? (Paper filing, Third-party online service provider (e.g. TurboTax, H&R Block, etc.,) Use an accountant or CPA, Use an in-person tax center, Use a community tax center)
    - Are you using a third-party software to assist in reporting your digital asset transactions?
      * If so, would you be comfortable sharing which software you use?
    - (Using the IRS.gov Digital Asset page as a resource) With your particular use case in mind, tell me what you believe your reporting obligation would be. Use the IRS.gov page as a resource to tell me whether you would need to report digital assets.
    - What improvements or additional information would you like to see regarding digital assets?
  + Experienced DA Investors:
    - What types of digital assets does your portfolio mainly consist of (convertible virtual currency and cryptocurrency, NFTs, stablecoins)?
    - Are there specific informational resources you rely on for understanding your tax obligations related to digital assets? If so, what are they?
    - Can you describe whether your approach to reporting digital assets has changed over time?
    - How do you plan on reporting your Digital Asset transactions in this upcoming filing season? (Paper filing, Third-party online service provider (e.g. TurboTax, H&R Block, etc.,) Use an accountant or CPA, Use an in-person tax center, Use a community tax center)
    - Are you using a third-party software to assist in reporting your digital asset transactions? If so, would you be comfortable sharing which software you use?
    - Are there any advanced challenges that you are facing now that you didn't in your earlier experiences?
    - (Using the IRS.gov Digital Asset page as a resource) With your particular use case in mind, tell me what you believe your reporting obligation would be. Use the IRS.gov page as a resource to tell me whether you would need to report digital assets.
    - What improvements or additional information would you like to see regarding digital assets?
  + Taxpayers with Complex DA Portfolios:
    - What types of digital assets does your portfolio mainly consist of (convertible virtual currency and cryptocurrency, NFTs, stablecoins)?
    - Are there specific informational resources you rely on for understanding your tax obligations related to digital assets? If so, what are they?
    - How do you plan on reporting your Digital Asset transactions in this upcoming filing season? (Paper filing, Third-party online service provider (e.g. TurboTax, H&R Block, etc.,) Use an accountant or CPA, Use an in-person tax center, Use a community tax center)
    - Describe your process for reporting these digital assets.
    - Are you using a third-party software to assist in reporting your digital asset transactions? If so, would you be comfortable sharing which software you use?
    - What specific challenges do you encounter when reporting various types of digital assets?
    - (Using the IRS.gov Digital Asset page as a resource) With your particular use case in mind, tell me what you believe your reporting obligation would be. Use the IRS.gov page as a resource to tell me whether you would need to report digital assets.
    - What improvements or additional information would you like to see regarding digital assets?
  + Taxpayers with Simple DA Transactions:
    - What types of digital assets does your portfolio mainly consist of (convertible virtual currency and cryptocurrency, NFTs, stablecoins)?
    - Are there specific informational resources you rely on for understanding your tax obligations related to digital assets? If so, what are they?
    - How do you plan on reporting your Digital Asset transactions in this upcoming filing season? (Paper filing, Third-party online service provider (e.g. TurboTax, H&R Block, etc.,) Use an accountant or CPA, Use an in-person tax center, Use a community tax center)
    - Describe your process for reporting these digital assets.
    - Are you using a third-party software to assist in reporting your digital asset transactions? If so, would you be comfortable sharing which software you use?
    - (Using the IRS.gov Digital Asset page as a resource) With your particular use case in mind, tell me what you believe your reporting obligation would be. Use the IRS.gov page as a resource to tell me whether you would need to report digital assets.
    - What improvements or additional information would you like to see regarding digital assets?

1. **Output:**

* A report outlining the findings, including a step-by-step depiction of the taxpayer’s journey, pain points, and recommendations for improving IRS.gov resources and the overall reporting process.