

The Devil Is in the Details When Handling NFTs and State Taxes

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Joseph Bright, Cheryl Upham, and Heidi Schwartz address the lack of guidance when dealing with non-fungible tokens (NFTs) and what we expect from states moving forward in *Bloomberg Tax*.

If the pieces of data and corresponding rights of the NFT fall within the scope of a state's statutes and regulations, they will likely be viewed as taxable. However, Joe, Cheryl, and Heidi express concern that people rarely consider state tax consequences when buying or selling NFTS due to the lack of guidance that states provide.

"Whatever description the taxing authority gives of what is taxable, the question raised is whether that description is consistent with the statute and regulations. It may be that many, but not all, NFTs are taxable items. The devil is in the details," they stated.

Pennsylvania recently became the first state to issue direct guidance on the taxability of NFTs, which makes buyers and sellers hopeful that other states will follow.

To learn more, [click here](#).

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