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6 Myths a Crypto Newbie Don't Know About BTC

It's not too late to get into Bitcoin and blockchain! Although some of your more advanced blockchain friends might think you've missed the boat, there's always room for newcomers in crypto.

To begin, we want to preface that Bitcoin is not the only cryptocurrency available. Though Bitcoin is what started it all, there are plenty of other cryptocurrencies (also known as altcoins) in high circulation like Litecoin, XRP and Chainlink, just to name a random few. When discussing crypto payments, be sure to recognize the distinctions between each currency type.

In general, there's a lot of falsehoods surrounding crypto that can easily mislead the beginners since it's so different from traditional currencies. To help you out, here we have compiled a list of all the myths and misunderstandings that a newbie might have when first discovering the world of blockchain technology — we want to make sure that you don't make the same mistakes so many do.

6 Myths a Crypto Newbie Don't Know About Bitcoin

1. Crypto Is Not Just for Buying Drugs

Crazy, huh? Though Bitcoin did gain popularity as the currency for buying MDMA during the peak Dark Web days, it is not just a currency to buy illegal substances. Nowadays, you can use Bitcoin to make payments at popular retailers like Home Depot, Microsoft, AT&T, Expedia and Whole Foods. You can also use Bitcoin to donate to nonprofits like Wikipedia and select political campaigns.

2. Not Everywhere Accepts Bitcoin

Before you spend your life's savings on Bitcoin, be aware that you can't use it as a payment method everywhere. Some websites, including e-commerce giants like Amazon, still don't accept Bitcoin as a form of payment. More stores are starting to take the currency, but your options are still somewhat limited.

If you're primarily interested in Bitcoin as a trading investment, this may not apply to you. Just in case you ever want to spend your Bitcoin on something, though, you should know your limitations.

3. It's Not Free to Send Crypto

It would be totally sick of the blockchain developers to forgo all transaction fees on crypto payments. However, for most cryptocurrencies, there are transaction fees with every payment, which are used to compensate the miners who are working to process and validate your transaction. The fees largely depend on the currency used, and the urgency of your payment. Often, if you pay a higher transaction fee, you can incentivize miners to process your payment faster.

4. Crypto Is Not an Instant Payment Method

Every cryptocurrency has a different transaction speed. For instance, Ethereum payments are processed faster than Bitcoin payments. That being said, most digital currency payments are not instantaneous. It can take anywhere from a few minutes to several days for your Bitcoin transaction to get processed, depending on any delays that may occur.

5. Crypto Is Fully Taxable

Though Bitcoin is decentralized and possesses all this secretive anti-government sentiment, it is still fully taxable. Just because the government doesn't recognize it as an official currency doesn't mean it's outside the law. If you make any money investing in cryptocurrency exchanges (like [BTCC](#)), you have to provide your tax info to cash out and pay income tax on your earnings. Be sure to check on your government's tax policies regarding cryptocurrencies before your investment.

6. You Can't Always Get Mega-Rich

I'm sure you've heard all the stories about accidental Bitcoin billionaires. Though some people have certainly gotten lucky, not every person who invests in crypto makes millions. There's a lot of volatility in the cryptocurrency market — which means that the market can go crashing down a day after it skyrockets. There are plenty of investors who have lost tons of money on bad investments, so be sure to do your own research before you transfer all of your hard earned cash into Bitcoin on a whim!