

116TH CONGRESS  
2D SESSION

# H. R. 5635

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from disposition of virtual currency in a personal transaction.

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## IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2020

Ms. DELBENE (for herself, Mr. SCHWEIKERT, Mr. SOTO, and Mr. EMMER) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to exclude from gross income gain from disposition of virtual currency in a personal transaction.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Virtual Currency Tax  
5 Fairness Act of 2020”.

6 **SEC. 2. VIRTUAL CURRENCY.**

7 (a) IN GENERAL.—Part III of subchapter B of chap-  
8 ter 1 of the Internal Revenue Code of 1986 is amended  
9 by inserting after section 139F the following new section:

1 **“SEC. 139G. GAIN FROM DISPOSITION OF VIRTUAL CUR-**  
2 **RENCY.**

3 “(a) IN GENERAL.—Gross income of an individual  
4 shall not include gain, by reason of changes in exchange  
5 rates, from the disposition of virtual currency in a per-  
6 sonal transaction (as such term is defined in section  
7 988(e)). The preceding sentence shall not apply if the gain  
8 which would otherwise be recognized on the transaction  
9 exceeds \$200.

10 “(b) VIRTUAL CURRENCY.—For purposes of this sec-  
11 tion, the term ‘virtual currency’ means a digital represen-  
12 tation of value that is used as a medium of exchange and  
13 is not otherwise currency under section 988.”.

14 (b) CLERICAL AMENDMENT.—The table of sections  
15 for part III of subchapter B of chapter 1 of such Code  
16 is amended by inserting after the item relating to section  
17 139F the following new item:

“Sec. 139G. Gain from disposition of virtual currency.”.

18 (c) REPORTING OF GAINS OR LOSSES.—The Sec-  
19 retary shall issue regulations providing for information re-  
20 turns on virtual currency transactions for which gain or  
21 loss is recognized.

22 (d) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply with respect to transactions en-  
24 tered into after December 31, 2019.