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

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

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.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

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

SEC. 2. VIRTUAL CURRENCY.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139F the following new section:
“SEC. 139G. GAIN FROM DISPOSITION OF VIRTUAL CURRENCY.

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

“(b) VIRTUAL CURRENCY.—For purposes of this section, the term ‘virtual currency’ means a digital representation of value that is used as a medium of exchange and is not otherwise currency under section 988.”.

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

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

(c) REPORTING OF GAINS OR LOSSES.—The Secretary shall issue regulations providing for information returns on virtual currency transactions for which gain or loss is recognized.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to transactions entered into after December 31, 2019.