

117TH CONGRESS  
1ST SESSION

# H. R. 5082

To amend the Internal Revenue Code of 1986 to clarify the definition of a broker, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

AUGUST 23, 2021

Mr. SOTO 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 clarify the definition of a broker, and for other purposes.

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 “Cryptocurrency Tax  
5 Clarity Act”.

6 **SEC. 2. INFORMATION REPORTING FOR BROKERS AND DIG-**  
7 **ITAL ASSETS.**

8 (a) CLARIFICATION OF DEFINITION OF BROKER.—

9 Section 6045(c)(1) of the Internal Revenue Code of 1986  
10 is amended—

1 (1) by striking “and” at the end of subpara-  
2 graph (B),

3 (2) in subparagraph (C)—

4 (A) by striking “any other person who (for  
5 a consideration)” and inserting “any person  
6 who (for consideration)”, and

7 (B) by striking the period at the end and  
8 inserting “, and”, and

9 (3) by adding at the end the following new sub-  
10 paragraph:

11 “(D) any person who (for consideration)  
12 regularly effectuates transfers of digital assets  
13 on behalf of another person.”.

14 (b) REPORTING OF DIGITAL ASSETS.—

15 (1) BROKERS.—

16 (A) TREATMENT AS SPECIFIED SECUR-  
17 ITY.—Section 6045(g)(3)(B) of the Internal  
18 Revenue Code of 1986 is amended by striking  
19 “and” at the end of clause (iii), by redesign-  
20 ating clause (iv) as clause (v), and by insert-  
21 ing after clause (iii) the following new clause:

22 “(iv) any digital asset, and”.

23 (B) DEFINITION OF DIGITAL ASSET.—Sec-  
24 tion 6045(g)(3) of such Code is amended by

1 adding at the end the following new subpara-  
2 graph:

3 “(D) DIGITAL ASSET.—Except as other-  
4 wise provided by the Secretary, the term ‘digital  
5 asset’ means any digital representation of value  
6 which is recorded on a cryptographically se-  
7 cured distributed ledger or any similar tech-  
8 nology as specified by the Secretary.”.

9 (C) APPLICABLE DATE.—Section  
10 6045(g)(3)(C) of such Code is amended—

11 (i) in clause (ii), by striking “and” at  
12 the end,

13 (ii) by redesignating clause (iii) as  
14 clause (iv), and

15 (iii) by inserting after clause (iii) the  
16 following:

17 “(iii) January 1, 2023, in the case of  
18 any specified security which is a digital  
19 asset, and”.

20 (2) FURNISHING OF INFORMATION.—

21 (A) IN GENERAL.—Section 6045A of such  
22 Code is amended—

23 (i) in subsection (a), by striking “a  
24 security which is”, and

1 (ii) by adding at the end the fol-  
2 lowing:

3 “(b) RETURN REQUIREMENT FOR CERTAIN TRANS-  
4 FERS OF DIGITAL ASSETS NOT OTHERWISE SUBJECT TO  
5 REPORTING.—Any broker, with respect to any transfer  
6 (which is not part of a sale or exchange executed by such  
7 broker) during a calendar year of a covered security which  
8 is a digital asset from an account maintained by such  
9 broker to an account which is not maintained by, or an  
10 address not associated with, a person that such broker  
11 knows or has reason to know is also a broker, shall make  
12 a return for such calendar year, in such form as deter-  
13 mined by the Secretary, showing the information otherwise  
14 required to be furnished with respect to transfers subject  
15 to subsection (a).”.

16 (B) REPORTING PENALTIES.—Section  
17 6724(d)(1)(B) of such Code is amended by  
18 striking “or” at the end of clause (xxv), by  
19 striking “and” at the end of clause (xxvi), and  
20 by inserting after clause (xxvi) the following  
21 new clause:

22 “(xxvii) section 6045A(d) (relating to  
23 returns for certain digital assets),”.

24 (C) TREATMENT AS CASH FOR PURPOSES  
25 OF SECTION 6050I.—Section 6050I(d) of such

1 Code is amended by striking “and” at the end  
2 of paragraph (1), by striking the period at the  
3 end of paragraph (2) and inserting “, and”,  
4 and by inserting after paragraph (2) the fol-  
5 lowing new paragraph:

6 “(3) any digital asset (as defined in section  
7 6045(g)(3)(D)).”.

8 (c) EFFECTIVE DATE.—The amendments made by  
9 this section shall apply to returns required to be filed, and  
10 statements required to be furnished, after December 31,  
11 2023.

12 (d) RULES OF CONSTRUCTION.—

13 (1) DEFINITION OF BROKER.—Nothing in this  
14 section or the amendments made by this section  
15 shall be construed to create any inference that a per-  
16 son described in section 6045(c)(1)(D) of the Inter-  
17 nal Revenue Code of 1986, as added by this section,  
18 includes any person solely engaged in the business  
19 of—

20 (A) validating distributed ledger trans-  
21 actions, without providing other functions or  
22 services, or

23 (B) selling hardware or software for which  
24 the sole function is to permit persons to control

1 private keys which are used for accessing digital  
2 assets on a distributed ledger.

3 (2) BROKERS AND TREATMENT OF DIGITAL AS-  
4 SETS.—Nothing in this section or the amendments  
5 made by this section shall be construed to create any  
6 inference, for any period prior to the effective date  
7 of such amendments, with respect to—

8 (A) whether any person is a broker under  
9 section 6045(c)(1) of the Internal Revenue  
10 Code of 1986, or

11 (B) whether any digital asset is property  
12 which is a specified security under section  
13 6045(g)(3)(B) of such Code.

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