

115TH CONGRESS
1ST SESSION

H. R. 3708

To amend the Internal Revenue Code of 1986 to exclude from gross income de minimis gains from certain sales or exchanges of virtual currency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 7, 2017

Mr. SCHWEIKERT (for himself and Mr. POLIS) 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 de minimis gains from certain sales or exchanges of virtual currency, 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. VIRTUAL CURRENCY.**

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

1 **“SEC. 139G. GAIN FROM SALE OR EXCHANGE OF VIRTUAL**
2 **CURRENCY.**

3 “(a) IN GENERAL.—Gross income shall not include
4 gain from the sale or exchange of virtual currency for
5 other than cash or cash equivalents.

6 “(b) LIMITATION.—

7 “(1) IN GENERAL.—The amount of gain ex-
8 cluded from gross income under subsection (a) with
9 respect to a sale or exchange shall not exceed \$600.

10 “(2) AGGREGATION RULE.—For purposes of
11 this subsection, all sales or exchanges which are part
12 of the same transaction (or a series of related trans-
13 actions) shall be treated as one sale or exchange.

14 “(c) VIRTUAL CURRENCY.—For purposes of this sec-
15 tion, the term ‘virtual currency’ means a digital represen-
16 tation of value that is used as a medium of exchange and
17 is not otherwise currency under section 988.

18 “(d) INFLATION ADJUSTMENT.—In the case of any
19 taxable year beginning in a calendar year after 2018, the
20 dollar amount in subsection (b) shall be increased by an
21 amount equal to—

22 “(1) such dollar amount, multiplied by

23 “(2) the cost-of-living adjustment determined
24 under section 1(f)(3) for the calendar year in which
25 the taxable year begins, determined by substituting

1 ‘calendar year 2017’ for ‘calendar year 1992’ in sub-
2 paragraph (B) thereof.

3 Any increase determined under the preceding sentence
4 shall be rounded to the nearest multiple of \$50.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for part III of subchapter B of chapter 1 of such Code
7 is amended by inserting after the item relating to section
8 139F the following new item:

“Sec. 139G. Gain from sale or exchange of virtual currency.”.

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

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply with respect to transactions en-
15 tered into after December 31, 2017.

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