

[DISCUSSION DRAFT]

APRIL 8, 2024

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to clarify the tax treatment of digital asset rewards.

IN THE HOUSE OF REPRESENTATIVES

Mr. FERGUSON introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to clarify the tax treatment of digital asset rewards.

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. DIGITAL ASSET REWARDS INCLUDED IN GROSS**
4 **INCOME UPON SALE OR DISPOSITION.**

5 (a) IN GENERAL.—Part II of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 is amended
7 by adding at the end the following new section:

1 **“SEC. 92. DIGITAL ASSET REWARDS.**

2 “(a) IN GENERAL.—If, pursuant to a blockchain con-
3 sensus mechanism with respect to any digital asset, a per-
4 son acquires (directly, or indirectly through a service pro-
5 vider) a reward of a digital asset—

6 “(1) no income or gain shall result at the time
7 of such acquisition, and

8 “(2) on the disposition of such digital asset in
9 any taxable year, the income or gain (if any) with
10 respect to such asset shall be the income or gain, as
11 the case may be, from the disposition for such tax-
12 able year.

13 “(b) DEFINITIONS.—For purposes of this section—

14 “(1) DIGITAL ASSET.—The term ‘digital asset’
15 shall have the meaning given such term under sec-
16 tion 6045(g)(3)(D).

17 “(2) BLOCKCHAIN CONSENSUS MECHANISM.—
18 The term ‘blockchain consensus mechanism’ means,
19 with respect to any digital asset, a process by which
20 a person commits resources in connection with vali-
21 dating the legitimacy of transactions and related en-
22 tries in the cryptographically secured distributed
23 ledger to which such digital asset relates.”.

1 (b) CLERICAL AMENDMENT.—The table of sections
2 for part II of subchapter B of chapter 1 of such Code
3 is amended by adding at the end the following new item:

“Sec. 92. Digital asset rewards.”.

4 (c) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to taxable years beginning after
6 December 31, 2023.