

119TH CONGRESS
1ST SESSION

S. RES. _____

Expressing support for digital assets, blockchain technology, continued payment innovation led by the United States, and a corresponding tax regime tailored to the unique nature of digital assets.

IN THE SENATE OF THE UNITED STATES

Mr. CASSIDY submitted the following resolution; which was referred to the
Committee on _____

RESOLUTION

Expressing support for digital assets, blockchain technology, continued payment innovation led by the United States, and a corresponding tax regime tailored to the unique nature of digital assets.

Whereas entrepreneurs and innovators are building and deploying the next generation of the internet;

Whereas digital asset networks represent a new way for people to join together and cooperate with one another to undertake certain activities;

Whereas digital assets have the potential to be the foundational building blocks of these networks, aligning the economic incentives for individuals to cooperate with one another to achieve a common purpose;

Whereas the digital asset ecosystem has the potential to grow the economy of the United States and improve the lives of everyday people of the United States by facilitating collaboration through the use of technology to manage activities, allocate resources, and facilitate decision making;

Whereas blockchain networks and the digital assets they empower provide creator control, enhance transparency, reduce transaction costs, and increase efficiency;

Whereas blockchain technology facilitates new types of network participation that businesses in the United States may utilize in innovative ways;

Whereas digital asset companies are establishing operations outside the United States, in countries that embrace the potential of blockchain technology and digital assets and provide safeguards for consumers through clear legal frameworks;

Whereas digital assets, despite their purported anonymity, provide law enforcement with an exceptional tracing tool to identify illicit activity and bring criminals to justice;

Whereas digital assets preserve the dollar dominance of the United States and counter the rise of the digital yuan and alternative settlement systems of China;

Whereas innovation in digital assets will strengthen the position of the United States as the worldwide leader in financial technology and payments;

Whereas the United States cannot afford to handicap innovators within the United States with regulatory ambiguity or tax uncertainty;

Whereas clarifying the tax treatment of mining and staking rewards ensures that participants based in the United

States are not penalized with vague or unfair tax liabilities simply for securing decentralized networks;

Whereas applying a tax regime designed for traditional securities to decentralized assets—without a thoughtful, tailored approach—could unintentionally drive users in the United States to offshore platforms and opaque jurisdictions; and

Whereas it is in the national security interest of the United States to remain the safest and most attractive place in the world to build and use blockchain-based technologies: Now, therefore, be it

1 *Resolved*, That it is the sense of the Senate that—

2 (1) the United States should seek to prioritize
3 understanding the potential opportunities of the next
4 generation of the internet;

5 (2) the United States should seek to foster ad-
6 vances in technology to improve the financial system
7 of the United States and create more fair and equi-
8 table access to financial services for everyday people
9 of the United States;

10 (3) the United States must support the develop-
11 ment of digital assets and the underlying technology
12 in the United States or risk the shifting of the devel-
13 opment of such assets and technology outside of the
14 United States, to less regulated countries;

1 (4) the United States should strive to be a glob-
2 al leader in the development and adoption of digital
3 assets and blockchain technology;

4 (5) Congress should enact a functional frame-
5 work tailored to the specific risks of different digital
6 asset-related activities and unique benefits of distrib-
7 uted ledger technology, distributed networks, and de-
8 centralized systems;

9 (6) Congress should enact a thoughtful tax re-
10 gime tailored to the unique nature of digital assets
11 to ensure that participants based in the United
12 States are not penalized with vague or unfair tax li-
13 abilities and to prevent pushing innovation and crit-
14 ical digital infrastructure overseas, where it may
15 evolve under regimes hostile to the values of the
16 United States; and

17 (7) consumers and market participants will ben-
18 efit from a framework for digital assets that is con-
19 sistent with longstanding investor protections in se-
20 curities and commodities markets, yet also tailored
21 to the unique benefits and risks of the digital asset
22 ecosystem.