

116TH CONGRESS
2D SESSION

H. R. 5635

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.

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 “Virtual Currency Tax
5 Fairness Act of 2020”.

6 **SEC. 2. VIRTUAL CURRENCY.**

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

1 **“SEC. 139G. GAIN FROM DISPOSITION OF VIRTUAL CUR-**
2 **RENCY.**

3 “(a) **IN GENERAL.**—Gross income of an individual
4 shall not include gain, by reason of changes in exchange
5 rates, from the disposition of virtual currency in a per-
6 sonal transaction (as such term is defined in section
7 988(e)). The preceding sentence shall not apply if the gain
8 which would otherwise be recognized on the transaction
9 exceeds \$200.

10 “(b) **VIRTUAL CURRENCY.**—For purposes of this sec-
11 tion, the term ‘virtual currency’ means a digital represen-
12 tation of value that is used as a medium of exchange and
13 is not otherwise currency under section 988.”.

14 (b) **CLERICAL AMENDMENT.**—The table of sections
15 for part III of subchapter B of chapter 1 of such Code
16 is amended by inserting after the item relating to section
17 139F the following new item:

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

18 (c) **REPORTING OF GAINS OR LOSSES.**—The Sec-
19 retary shall issue regulations providing for information re-
20 turns on virtual currency transactions for which gain or
21 loss is recognized.

22 (d) **EFFECTIVE DATE.**—The amendments made by
23 this section shall apply with respect to transactions en-
24 tered into after December 31, 2019.