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113TH CONGRESS
2D SESSION

H. R. 4602

To change the tax status of virtual currencies from property to foreign currency

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IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2014

Mr. STOCKMAN introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To change the tax status of virtual currencies from property to foreign currency

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Virtual Currency Tax Reform Act''.

SEC. 2. CONGRESSIONAL FINDINGS.

Congress finds that classifying virtual currencies as property subjects users to capital gains tax on any transaction using the virtual currency based on any gain or loss relative to the change in the virtual currency's value from the time of purchase.

SEC. 3. DEFINITIONS.

"Virtual currency" is a digital representation of value that functions as a medium of exchange, a unit of account, and/or a store of value.

SEC. 4. GENERAL AUTHORIZATION.

The Internal Revenue Service shall treat virtual currencies as a foreign currency for Federal tax purposes.

SEC. 5. MORATORIUM.

(1) For a period of five years following the date of the enactment of this Act, the Federal Government shall not impose, assess, collect, or attempt to collect capital gains tax on virtual currencies.

(2) Nothing in this Act shall prevent, impair or impede the operation of any government agency, authority, or instrumentality, whether of the Federal Government or of any State or political subdivision thereof, to enforce currently existing criminal, civil, or taxation statutes and regulations.

SEC. 6. EFFECTIVE DATE.

The provisions of this Act shall take effect at the beginning of the fiscal year following enactment.

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