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(Original Signature of Member)

115TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

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

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IN THE HOUSE OF REPRESENTATIVES

Mr. SCHWEIKERT introduced the following bill; which was referred to the Committee on \_\_\_\_\_

\_\_\_\_\_  
**A BILL**

To amend the Internal Revenue Code of 1986 to exclude from gross income de minimus 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 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.