

**AMENDMENT TO H.R. 6760, AS REPORTED  
OFFERED BY MR. POLIS OF COLORADO**

At the end of subtitle E of title I, add the following:

1 **SEC. 150A. VIRTUAL CURRENCY.**

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

5 **“SEC. 139G. GAIN FROM SALE OR EXCHANGE OF VIRTUAL  
6 CURRENCY.**

7 “(a) IN GENERAL.—Gross income shall not include  
8 gain from the sale or exchange of virtual currency for  
9 other than cash or cash equivalents.

10 “(b) LIMITATION.—

11 “(1) IN GENERAL.—The amount of gain ex-  
12 cluded from gross income under subsection (a) with  
13 respect to a sale or exchange shall not exceed \$600.

14 “(2) AGGREGATION RULE.—For purposes of  
15 this subsection, all sales or exchanges which are part  
16 of the same transaction (or a series of related trans-  
17 actions) shall be treated as one sale or exchange.

18 “(c) VIRTUAL CURRENCY.—For purposes of this sec-  
19 tion, the term ‘virtual currency’ means a digital represen-

1 tation of value that is used as a medium of exchange and  
2 is not otherwise currency under section 988.

3 “(d) INFLATION ADJUSTMENT.—In the case of any  
4 taxable year beginning in a calendar year after 2019, the  
5 dollar amount in subsection (b) shall be increased by an  
6 amount equal to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined  
9 under section 1(f)(3) for the calendar year in which  
10 the taxable year begins, determined by substituting  
11 ‘calendar year 2018’ for ‘calendar year 1992’ in sub-  
12 paragraph (B) thereof.

13 Any increase determined under the preceding sentence  
14 shall be rounded to the nearest multiple of \$50.”.

15 (b) CLERICAL AMENDMENT.—The table of sections  
16 for part III of subchapter B of chapter 1 of such Code  
17 is amended by inserting after the item relating to section  
18 139F the following new item:

“Sec. 139G. Gain from sale or exchange of virtual currency.”.

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

1           (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply with respect to transactions en-  
3 tered into after December 31, 2018.

