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:

SEC. 150A. VIRTUAL CURRENCY.

(a) In General.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139F the following new section:

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

“(a) In General.—Gross income shall not include gain from the sale or exchange of virtual currency for other than cash or cash equivalents.

“(b) Limitation.—

“(1) In General.—The amount of gain excluded from gross income under subsection (a) with respect to a sale or exchange shall not exceed $600.

“(2) Aggregation Rule.—For purposes of this subsection, all sales or exchanges which are part of the same transaction (or a series of related transactions) shall be treated as one sale or exchange.

“(c) Virtual Currency.—For purposes of this section, the term ‘virtual currency’ means a digital representa-
2

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

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

“(1) such dollar amount, multiplied by

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

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

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

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

(c) REPORTING OF GAINS OR LOSSES.—The Sec-
retary shall issue regulations providing for information re-
turns on virtual currency transactions for which gain or
loss is recognized.
(d) **Effective Date.**—The amendments made by this section shall apply with respect to transactions entered into after December 31, 2018.