

117TH CONGRESS  
1ST SESSION

# H. R. 6006

To amend the Internal Revenue Code of 1986 to clarify the definition of broker, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 2021

Mr. MCHENRY (for himself, Mr. RYAN, Mr. BRADY, Mr. KHANNA, Mr. EMMER, Mr. SWALWELL, Mr. DAVIDSON, Mr. SOTO, Mr. GONZALEZ of Ohio, and Mr. BUDD) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify the definition of broker, 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. SHORT TITLE.**

4       This Act may be cited as the “Keep Innovation in  
5       America Act”.

6       **SEC. 2. CLARIFICATION OF DEFINITION OF BROKER.**

7       (a) IN GENERAL.—Section 6045(c)(1)(D) of the In-  
8       ternal Revenue Code of 1986 is amended to read as fol-  
9       lows:

1           “(D) any person who (for consideration)  
 2           stands ready in the ordinary course of a trade  
 3           or business to effect sales of digital assets at  
 4           the direction of their customers.”.

5           (b) EFFECTIVE DATE.—The amendment made by  
 6 this section shall apply to returns required to be filed and  
 7 statements required to be furnished after December 31,  
 8 2025.

9 **SEC. 3. REPORTING OF DIGITAL ASSETS.**

10          (a) BROKERS.—

11           (1) DEFINITION OF DIGITAL ASSET.—Section  
 12          6045(g)(3)(D) of the Internal Revenue Code of 1986  
 13          is amended to read as follows:

14           “(D) DIGITAL ASSET.—The term ‘digital  
 15          asset’ means any digital representation of value  
 16          which is recorded on a cryptographically se-  
 17          cured distributed ledger.”.

18           (2)           APPLICABLE           DATE.—Section  
 19          6045(g)(3)(C)(iii) of such Code is amended to read  
 20          as follows:

21           “(iii) January 1, 2025, in the case of  
 22          any specified security which is a digital  
 23          asset, and”.

24          (b) FURNISHING OF INFORMATION.—Section  
 25          6045A(d) of such Code is amended to read as follows:

1       “(d) RETURN REQUIREMENT FOR CERTAIN TRANS-  
2       FERS OF DIGITAL ASSETS NOT OTHERWISE SUBJECT TO  
3       REPORTING.—Any broker, with respect to any transfer  
4       (which is not part of a sale or exchange executed by such  
5       broker) during a calendar year of a covered security which  
6       is a digital asset from an account wholly controlled and  
7       maintained by such broker to an account which is not  
8       maintained by, or an address not associated with, a person  
9       that such broker knows or has reason to know is also a  
10      broker, shall make a return for such calendar year, in such  
11      form as determined by the Secretary, showing the infor-  
12      mation otherwise required to be furnished with respect to  
13      transfers subject to subsection (a). Information reported  
14      by brokers under this section shall be limited to customer  
15      information that is voluntarily provided by the customer  
16      and held by the broker for a legitimate business purpose.”.

17      (c) DELAYED EFFECTIVE DATE FOR CERTAIN IN-  
18      FORMATION REPORTING CHANGES; REVERSAL OF CER-  
19      TAIN ADDITIONS TO 6050I.—Section 80603 of the Infra-  
20      structure Investment and Jobs Act is amended—

21               (1) by striking subsection (b)(3), and

22               (2) in subsection (c), by striking “December 31,  
23      2023” and inserting “December 31, 2025”.

24      (d) EFFECTIVE DATES.—

1           (1) The amendments made by subsections (a)  
2           and (b) shall apply to returns required to be filed  
3           and statements required to be furnished after De-  
4           cember 31, 2025.

5           (2) The amendment made by subsection (c)  
6           shall take effect as if included in the enactment of  
7           section 80603 of the Infrastructure Investment and  
8           Jobs Act.

9   **SEC. 4. STUDY AND REPORT ON TREATMENT OF DIGITAL**  
10                   **ASSETS AS CASH FOR PURPOSES OF SECTION**  
11                   **6050I.**

12           (a) STUDY.—The Secretary, in consultation with rep-  
13           resentatives of the digital asset industry, organizations fo-  
14           cused on individual privacy and civil liberties, organiza-  
15           tions engaged in advocacy, research or developing stand-  
16           ards relating to digital asset use, shall conduct a study  
17           on the effect of expanding the definition of cash, solely  
18           for purposes of section 6050I of the Internal Revenue  
19           Code of 1986, to include any digital asset (as defined in  
20           section 6045(g)(3)(D) of such Code).

21           (b) REPORT.—Not later than 365 days after the date  
22           of the enactment of this Act, the Secretary shall provide  
23           to relevant committees a report that contains all findings  
24           and determinations made in carrying out the study under  
25           subsection (a), including an analysis of—

1 (1) the interpretation of, regulations under, and  
2 enforcement of section 6050I for cash,

3 (2) the privacy and liberty rights and interests  
4 of taxpayers and other persons affected,

5 (3) the cost-benefit analysis of compliance,

6 (4) the effect on the use of and access to digital  
7 assets and the financial system,

8 (5) the effect on innovation, and

9 (6) the effect on the economic competitiveness  
10 of the United States.

11 (c) DEFINITIONS.—For purposes of this section—

12 (1) RELEVANT COMMITTEES.—The term “rel-  
13 evant committees” means—

14 (A) the Committee on Financial Services  
15 of the House of Representatives,

16 (B) the Committee on Banking, Housing,  
17 and Urban Affairs of the Senate,

18 (C) the Committee on Ways and Means of  
19 the House of Representatives, and

20 (D) the Committee on Finance of the Sen-  
21 ate.

22 (2) SECRETARY.—The term “Secretary” means  
23 the Secretary of the Treasury (or the Secretary’s  
24 delegate).

1 **SEC. 5. FINDINGS.**

2 Congress finds the following:

3 (1) Advances in technology have led to the cre-  
4 ation of digital assets and blockchain technology  
5 that will improve the United States financial system  
6 and create a more fair and equitable structure for  
7 everyday Americans.

8 (2) The reporting requirements under current  
9 law require digital asset market participants to ad-  
10 here to standards that are incompatible with this  
11 technology's operation. This will hinder the develop-  
12 ment of digital assets and its underlying technology  
13 in the United States, shifting its development out-  
14 side the United States.

15 (3) The Chinese Government's recent ban of  
16 cryptocurrency transactions provides the United  
17 States an opening to further enhance its role as the  
18 leading nation in the development of innovative  
19 blockchain technologies. Providing clear rules for  
20 both consumers and developers of digital assets is  
21 essential to taking advantage of this opportunity.

22 (4) Miners and validators, hardware and soft-  
23 ware developers, and protocol developers are not ac-  
24 tual brokers and do not collect or have reason to col-  
25 lect the information required under the Infrastruc-  
26 ture Investment and Jobs Act.

1           (5) It is not in the interest of American tax-  
2           payers for Congress to create uncertainty.

3           (6) Consistent and accurate reporting on digital  
4           asset transactions is necessary. Congress must work  
5           to bring legal and regulatory certainty to the digital  
6           asset industry. Clear rules of the road fosters tech-  
7           nology and innovation.

8           (7) Any amendments made by this Act will not  
9           impact revenue estimated from the Infrastructure  
10          Investment and Jobs Act.

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