

October 22, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker of the House
United States House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Leader Thune, Leader Schumer, Speaker Johnson, and Leader Jeffries:

On behalf of Blockchain Association and our more than 100 members, we write to encourage Congress to advance thoughtful, bipartisan digital asset tax legislation. Sixty-seven million Americans now hold and use digital assets, yet the rules that govern them were written for a different era. The result is unnecessary uncertainty for taxpayers, costly and disproportionate compliance burdens, and a tax framework that risks driving American innovation offshore.

Congress has made progress toward clear rules for digital assets. That work cannot fully succeed without a tax framework that is clear, administrable, technology-neutral, and aligned with economic reality. Blockchain Association's Digital Asset Tax Principles, developed with input from our members, provide that foundation. As you consider legislation, we urge you to keep them in mind:

- **Administrability and Practicality.** A meaningful de minimis exemption and cash treatment for stablecoins, including relief from Form 1099-DA reporting, would reduce taxpayer burdens and allow the IRS to focus on economically significant activity.
- **Functional Consistency.** Economically similar products should receive comparable tax treatment, including treating mining and staking rewards as self-created property taxed upon disposition, with residence-based sourcing.
- **Privacy and Safety.** Reporting requirements should protect taxpayer privacy and safety while supporting legitimate enforcement goals. Broker reporting should apply only to intermediaries with custody or control of customer assets, excluding non-custodial developers and infrastructure participants.
- **Global Competitiveness.** A statutory safe harbor for foreign persons trading digital assets on U.S. exchanges, consistent with the treatment of securities and commodities, would support U.S. liquidity and reduce offshore migration. Tax policy should also encourage developers and companies to establish operations in the United States.
- **Anti-Abuse.** Extending wash sale rules to digital assets would close loss-harvesting gaps, provided the rules do not disadvantage digital assets relative to traditional assets or capture everyday transactions.

- **Economic Ownership.** Transfers between one's own wallets, interactions with smart contracts, and movements across blockchain networks should not trigger tax when economic ownership and exposure remain unchanged.
- **Equal Access.** Tax rules should clarify that staking does not constitute impermissible business activity for grantor trusts, partnerships, and regulated investment vehicles, recognize staking rewards as permissible investment income, and allow Americans to hold digital assets in retirement accounts.
- **Market-Based Treatment.** Taxpayers should be able to elect mark-to-market accounting for digital assets with readily determinable values.
- **Workability.** Charitable gifts of regularly traded digital assets should not require costly third-party appraisals.
- **Pro-Innovation.** Blockchain development should be expressly recognized as qualifying research for R&D tax credits.

Americans who hold and use digital assets are not asking for special treatment under the tax code. They want to meet their tax obligations, and they deserve fair and workable rules that allow them to do so. These principles provide a path toward stronger tax compliance, greater certainty for taxpayers and businesses, and a regulatory environment that keeps the next generation of financial innovation – and the jobs it creates – in the United States. Congress has an opportunity to deliver that certainty through thoughtful, bipartisan legislation.

Blockchain Association and its members stand ready to serve as a resource to you and your staff. Thank you for your leadership, and we look forward to working with you.

Sincerely,

A handwritten signature in black ink, reading "Lindsay Fraser". The signature is fluid and cursive, with the first name "Lindsay" written in a larger, more prominent script than the last name "Fraser".

Lindsay Fraser
Chief Policy Officer
Blockchain Association