

June 21, 2026

The Honorable Jason Smith
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

RE: Support for H.R. 9175, the Tax Clarity for Mining and Staking Act, as Introduced

Dear Chairman Smith and Ranking Member Neal:

We, the undersigned organizations, write to applaud the Committee on Ways and Means for the balanced compromise reflected in H.R. 9175, the Tax Clarity for Mining and Staking Act, introduced by Representative Mike Carey, and to respectfully urge its passage as introduced. After years of uncertainty about how mining and staking rewards are taxed, the bill provides a durable compromise that innovators can support while addressing concerns raised by some lawmakers.

Crypto and blockchain networks have the potential to integrate with and replace legacy systems across nearly every industry, delivering drastic improvements in speed, cost, and efficiency. However, these networks function only because participants choose to play a key role in validating transactions. Proof-of-stake and proof-of-work are the primary validation mechanisms in use today, with over \$1.7 trillion in assets secured through these methods.¹ It is critical that Congress provide legislative clarity in the tax code to ensure that those networks can be secured by Americans in America.

Since Bitcoin's inception in 2009, stakers and miners have lacked clarity in the tax code regarding the timing, sourcing, and character of the tokens they create through network validation. Recent developments make Congressional action even more urgent. In 2014, the IRS issued Notice 2014-21 stating that miners are required to include the fair market value of mined Bitcoin in gross income as of the date it was mined.² In 2023, the IRS published Revenue Ruling 2023-14, setting forth the IRS's position that validation rewards are stakers' immediately taxable income.³

¹ See CoinGecko, Top Proof of Stake (PoS) Coins by Market Cap, <https://www.coingecko.com/en/categories/proof-of-stake-pos> (last visited June 18, 2026); and CoinGecko, Top Proof of Work (PoW) Coins by Market Cap, <https://www.coingecko.com/en/categories/proof-of-work-pow> (last visited June 18, 2026).

² Internal Revenue Service, Notice 2014-21, 2014-16 I.R.B. 938 (March 25, 2014), <https://www.irs.gov/pub/irs-drop/n-14-21.pdf>

³ Internal Revenue Service, Revenue Ruling 2023-14, 2023-33 Internal Revenue Bulletin 407 (August 14, 2023), <https://www.irs.gov/pub/irs-drop/rr-23-14.pdf>

Members of Congress have repeatedly flagged the problems this guidance creates. In November 2025, Senator Todd Young wrote to Treasury Secretary and Acting IRS Commissioner Scott Bessent, urging the IRS to reevaluate the ruling's treatment of staking rewards, and the following month, Representative Carey led eighteen of his colleagues in a second letter pressing for updated guidance before the 2026 tax year began.⁴ Taxation at the time of creation results in myriad issues, including issues of dominion and control, taxation of phantom income, and liquidity concerns. Moreover, the guidance offers little analysis and conspicuously avoids key factual and legal considerations, casting doubt on its application to stakers and miners. Far from resolving the issue, this IRS guidance has further contributed to ongoing uncertainty, making prompt action by Congress all the more important.

H.R. 9175 crafts a novel approach to the new technological and economic realities posed by proof-of-stake and proof-of-work blockchains, inspired by the century-old treatment of newly created property. The language reflects a hard-won compromise, with meaningful concessions on both character and timing to secure broad, bipartisan support. It does not provide unlimited deferral or full parity with all forms of self-created property; instead, it ensures income is recognized while avoiding immediate taxation before taxpayers can monetize the asset. That balance answers the central concern that the bill could create an unwarranted windfall. It also delivers something that years of administrative guidance have failed to provide: a clear, administrable rule that taxpayers can follow without ambiguity, and the IRS can enforce without having to chase recognition events across millions of wallets every time blocks are created on multiple chains.

This is the needle H.R. 9175 threads to make sound policy. It ensures income is ultimately recognized while sparing taxpayers a tax on gains they may not yet be able to monetize. When a taxpayer owes tax on assets they cannot yet monetize, the practical result is forced selling: liquidating holdings simply to fund the tax bill, not because the taxpayer chose to exit the position. Moreover, H.R. 9175 ensures that taxpayers pay an amount in line with the income they realize at sale, unlike alternative proposals that could leave a taxpayer with a tax bill far higher than the amount they actually realize.

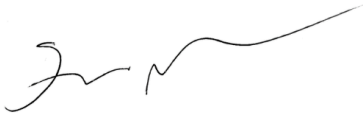
The administrative costs of this approach are equally unjustifiable for taxpayers and the IRS alike. The Joint Committee on Taxation has scored the proposed amendment's five-year cap and found that it yields negligible revenue while imposing a significant compliance burden on taxpayers, their advisors, and the IRS.⁵ For taxpayers and their advisors, it means tracking cost basis and computing gain on a mandatory five-year cycle across potentially millions of wallets, regardless of whether a sale has occurred. For the IRS, it means designing, staffing, and enforcing an entirely new class of recognition events—triggered not by a transaction but by the passage of time—across an asset class that already strains existing audit and reporting infrastructure. Piling that burden onto a provision that raises little meaningful revenue is poor tax policy by any measure. H.R. 9175, as introduced, achieves the same revenue goal—full recognition at sale or death—at a fraction of the administrative cost.

⁴ Letter from Sen. Todd Young to Scott Bessent, Sec'y of the Treasury & Acting Comm'r, Internal Revenue Serv. (Nov. 18, 2025), <https://assets.bwbx.io/documents/users/iqjWHBFdfxIU/rrJFjBE.kMNI/v0>; Letter from Mike Carey et al. to Scott Bessent, Acting Comm'r, Internal Revenue Serv. (Dec. 18, 2025), <https://carey.house.gov/wp-content/uploads/2025/12/Rep.-Carey-IRS-Crypto-Tax-Staking-Letter.pdf>

⁵ Joint Committee on Taxation, Digital Asset Taxation (JCX-18-26) (June 8, 2026), <https://waysandmeans.house.gov/wp-content/uploads/2026/06/JCT-Description.pdf>

We urge the Committee to preserve the balance reflected in H.R. 9175 and pass the bill as introduced. Reopening the compromise already struck in this legislation would risk reviving the very problems the bill resolves and stalling a bipartisan result that is finally within reach. Getting this right keeps blockchain validation and the innovation it supports built here in the United States. We are grateful for the Committee's leadership and the hard work of staff and Members, and we stand ready to be a resource as the bill advances.

Respectfully,



Blockchain Association CEO
Summer Mersinger



Crypto Council for Innovation CEO
Ji Hun Kim



The Digital Chamber CEO
Cody Carbone