

US infrastructure plan tightens tax collection on cryptocurrency

August 10 2021



The new infrastructure bill makes it clear the government has authority to collect taxes from cryptocurrency trading as it does from traditional assets.

The giant US infrastructure bill that won Senate approval on Tuesday counts on getting some of its funding from cracking down on tax evasion

by people profiting off cryptocurrency.

A hotly-contested provision of the enormous text of the legislation clarifies the US Treasury's authority to tax profits from [digital assets](#) just as it does sales of traditional stocks.

The crypto industry pushed back strongly, trying to derail or at least modify the clause, claiming it violated the privacy of software and hardware engineers involved in the creation of the digital assets.

However, a proposed amendment that would have clarified the language on what constitutes a "broker," and which received a [green light](#) from Treasury Secretary Janet Yellen, failed to garner enough support to be included in the \$1.2 trillion package, which focuses on roads, bridges, [clean energy](#) and expanding access to [broadband internet](#).

An advocacy group called Fight for the Future, which promotes an open, unregulated internet, launched a #DontKillCrypto campaign to fight the provisions of the infrastructure bill it said would violate user privacy.

"We want a future in which tech is decentralized and impossible for elites and governments to surveil and manipulate. Cryptocurrencies are both a testing ground and a foundational investment in the move to decentralization," the group said in a statement late Monday.

Yellen said the language in the bill "will make meaningful progress on [tax evasion](#) in the cryptocurrency market."

It would require exchanges to provide information on purchases and sales of digital currency, like Bitcoin, to the Internal Revenue Service and to individuals, making it easier for taxpayers to comply and for the government to collect lost revenue.

IRS Commissioner Charles Rettig said market cap in the crypto world exceeded \$2 trillion and more than 8,600 exchanges worldwide.

The tighter tax compliance on the sector could bring in \$28 billion over 10 years, according to recent estimates.

The industry railed against the lack of consultation, but Treasury is in the process of designing regulations for cryptocurrency taxation that will allow industry comment before it is implemented.

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Citation: US infrastructure plan tightens tax collection on cryptocurrency (2021, August 10)
retrieved 28 April 2024 from

<https://techxplore.com/news/2021-08-infrastructure-tightens-tax-cryptocurrency.html>

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