

December 14, 2022

The Honorable Janet Yellen
Secretary
United States Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Yellen:

We write to request that you prioritize rulemaking for Section 80603 of the *Infrastructure Investment and Jobs Act* (IIJA) and delay any related compliance requirements. To date, a number of questions and concerns remain unanswered regarding the scope of Section 80603. These questions and concerns must be addressed to ensure taxpayers have clear direction on the forthcoming requirements and the date required for compliance.


As we have previously noted, Section 80603 is poorly drafted. As such it could be wrongly interpreted as expanding the definition of a “broker” beyond custodial digital asset intermediaries. It also directs Treasury to incorporate digital assets into the definition of “cash” for tax collection and reporting purposes. The 6050i reporting requirements jeopardize the privacy of Americans, without a comprehensive analysis of the impact of such change.

Treasury’s acknowledgement that “ancillary parties who cannot get access to information that is useful to the IRS are not intended to be captured by reporting requirements for brokers” is a positive step. It is also consistent with the policies outlined in H.R. 6006, *Keep Innovation in America Act*, which I introduced last year. Treasury must provide clarity regarding the full scope of Section 80603 as emphasized in the bipartisan proposal.

Given the significance of these issues, Treasury cannot evade the formal rulemaking process by issuing an interpretive final rule or merely issuing guidance. These provisions were the subject of much debate. Any rulemaking or guidance that fails to appropriately interpret these provisions will damage the privacy of American taxpayers and stifle innovation through rising compliance costs and unnecessary regulatory burdens.

We urge Treasury to immediately publish the rules directed under Section 80603 and delay the effective date of Section 80603 to allow market participants to conform to any new requirements. Thank you again for your attention to this important matter.

Sincerely,


Patrick McHenry
Ranking Member