

AMENDMENTS

OFFERED BY MR. HORSFORD OF NEVADA

At the end of section 1400W-2(b) of the Internal Revenue Code of 1986, as proposed to be added by section 2(a) of the Tax Clarity for Mining and Staking Act, add the following:

1 “(3) TERMINATION OF DEFERRAL AFTER 5
2 YEARS.—In the case of any qualified newly minted
3 digital asset acquired by the taxpayer during a tax-
4 able year to which an election under subsection (e)
5 applies and not disposed of by the taxpayer before
6 the close of the fourth taxable year following such
7 taxable year, such taxpayer shall recognize gain or
8 loss as if such asset were sold for its fair market
9 value on the last business day of such fourth taxable
10 year. Proper adjustment shall be made in the
11 amount of any gain or loss subsequently realized for
12 gain or loss taken into account under the preceding
13 sentence.”.

In section 2 of the Charitable Deductions for Digital Asset Donations Act, strike subsection (a), redesignate

subsection (b) as subsection (c), and insert before subsection (c) (as so redesignated) the following:

1 (a) EXCEPTION FROM APPRAISAL REQUIREMENT.—
2 Section 170(f)(11)(A)(ii)(I) is amended by inserting
3 “widely traded digital assets (except as the Secretary de-
4 termines appropriate to prevent abuse of this section), dig-
5 ital assets (other than widely traded digital assets) for
6 which an acknowledgment under paragraph (20) is pro-
7 vided,” after “publicly traded securities (as defined in sec-
8 tion 6050L(a)(2)(B)),”.

9 (b) DIGITAL ASSETS OTHER THAN WIDELY TRADED
10 DIGITAL ASSETS.—Section 170(f) is amended by adding
11 at the end the following new paragraph:

12 “(20) CONTRIBUTIONS OF DIGITAL ASSETS
13 OTHER THAN WIDELY TRADED DIGITAL ASSETS.—

14 “(A) IN GENERAL.—In the case of a con-
15 tribution of digital assets (other than widely
16 traded digital assets) the claimed value of which
17 exceeds \$500—

18 “(i) paragraph (8) shall not apply and
19 no deduction shall be allowed under sub-
20 section (a) for such contribution unless the
21 taxpayer substantiates the contribution by
22 a contemporaneous written acknowledge-
23 ment of the contribution by the donee or

1 organization that meets the requirements of
2 subparagraph (B) and includes the ac-
3 knowledgement with the taxpayer's return
4 of tax which includes the deduction, and

5 “(ii) the amount of the deduction al-
6 lowed under subsection (a) for such con-
7 tribution shall not exceed the gross pro-
8 ceeds from the sale referred to in subpara-
9 graph (B)

10 “(B) CONTENT OF ACKNOWLEDGEMENT.—
11 An acknowledgement meets the requirements of
12 this subparagraph if it includes the following
13 information:

14 “(i) The name and taxpayer identi-
15 fication number of the donor.

16 “(ii) A description of digital assets
17 contributed.

18 “(iii) A certification that the digital
19 assets were sold by the donee organization
20 in an arm's length transaction between un-
21 related parties.

22 “(iv) The gross proceeds from such
23 sale.

1 “(v) A statement that the deductible
2 amount may not exceed the amount of
3 such gross proceeds.

4 “(vi) Whether the donee organization
5 provided any goods or services in consider-
6 ation, in whole or in part, for the digital
7 assets.

8 “(vii) A description and good faith es-
9 timate of the value of any goods or services
10 referred to in clause (vi) or, if such goods
11 or services consist solely of intangible reli-
12 gious benefits (as defined in paragraph
13 (8)(B)), a statement to that effect.

14 “(C) CONTEMPORANEOUS.—For purposes
15 of subparagraph (A), an acknowledgement shall
16 be considered to be contemporaneous if the
17 donee organization provides it within 30 days of
18 the sale of the digital assets.

19 “(D) INFORMATION TO SECRETARY.—A
20 donee organization required to provide an ac-
21 knowledgement under this paragraph shall pro-
22 vide to the Secretary the information contained
23 in the acknowledgement. Such information shall
24 be provided at such time and in such manner
25 as the Secretary may prescribe.

1 “(E) REGULATIONS.—The Secretary shall
2 prescribe such regulations or other guidance as
3 may be necessary or appropriate to carry out
4 the purposes of this paragraph.”.

