

Congress of the United States
Washington, DC 20515

December 18, 2025

The Honorable Scott Bessent
Acting Commissioner
Internal Revenue Service
1111 Constitution Avenue NW
Washington, D.C. 20224

Dear Acting Commissioner Bessent,

Thank you and President Trump for your leadership as we work together to ensure the U.S. remains the crypto capital of the world. We look forward to building on the success of the collaboration between the Trump Administration and Congress to implement common-sense policies that will allow for continued innovation and growth in this important American industry.

We write today to follow up on concerns regarding Internal Revenue Service's 2023 guidance on the treatment of cryptocurrency staking rewards, Revenue Ruling 2023-14 (the "Ruling"). Specifically, we request additional information on the rationale and analysis underlying the Ruling and urge the IRS to promptly review and update guidance on this issue before the 2026 tax year begins.

U.S. taxpayers face a staking tax regime that is burdensome to comply with, difficult to administer, and out of step with this Administration's priorities. While the Ruling offers an initial view on the treatment of staking rewards, it fails to accurately reflect the underlying technological and economic realities of staking and diverges from foundational principles of tax law. Correcting the Ruling would help support innovation, inform upcoming congressional deliberations on the proper tax treatment of digital assets, and ensure that stakers in the United States are treated fairly in comparison to similar categories of activities.

As you know, on July 31, 2023, the IRS issued Revenue Ruling 2023-14, which holds that cash-method taxpayers who "receive" staking rewards must include "the fair market value of the validation rewards received... in the taxpayer's gross income in the taxable year in which the taxpayer gains dominion and control over the validation rewards."¹ The ruling drew from 2014 guidance that outlines the treatment of cryptocurrency as property for federal income tax purposes, but it failed to address the manner in which miners and stakers add blocks of valid transactions to the blockchain and, in so doing, create the new tokens known as mining or staking rewards. Like those who mine gold or anything else, cryptocurrency miners and stakers

¹ Rev. Rul. 2023-14, 2023-33 I.R.B. 484, at 485.

are the first owners of this new property. New property is never taxable income in the hands of its first owner, and instead gives rise to income upon its sale or disposition.

Taxing staking rewards at the time of their sale is critical to ensuring that stakers are taxed based on a correct statement of their actual economic gain, are able to hold their staking rewards throughout the year without facing unreasonable tax risk in the event of price changes, and finally will make compliance feasible as opposed to an administrative nightmare for taxpayers and the Service alike. Millions of Americans own tokens on these networks. Network security – and American leadership – requires those taxpayers to stake those tokens, but today the administrative burden and prospect of overtaxation discourages that participation.

Moreover, the Trump Administration's 2025 report *Strengthening American Leadership in Digital Financial Technology*, recommended that Treasury and the IRS review previously issued guidance related to the timing of income from staking and mining to consider whether to clarify, modify, or reverse that guidance.² We concur with that evaluation and believe that a prompt, thoughtful review by the IRS under your leadership would provide needed relief and stand as a landmark achievement in support of the Trump Administration's objective of ensuring the United States remains the global leader in digital assets.

That same report also highlighted the importance of maintaining U.S. competitiveness in blockchain and financial technology, promoting regulatory clarity, and encouraging collaboration between Treasury, the IRS, and Congress. The rescission and replacement of the Ruling to update the tax treatment of staking rewards would be fully consistent with those priorities.

To encourage continued transparency and constructive engagement between the Administration and Congress as a more comprehensive tax framework for digital assets is developed, we respectfully request that you provide responses to the following questions:

1. What considerations are weighed when determining whether to treat staking rewards as gross income or newly created property, given that taxpayers are the first beneficial owners of the newly minted token?
2. Prior to issuing the Ruling, what analysis did the IRS conduct to understand how miners and stakers build blockchains, and to understand the practical compliance challenges, paperwork burden, and the broader impact of its Ruling?
3. Prior to issuing the Ruling, what analysis did the IRS conduct regarding its potential effect on national competitiveness and U.S. leadership in innovation?

² President's Working Group on Digital Asset Markets, *Strengthening American Leadership in Digital Financial Technology* 135(2025), available at <https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf>.

4. In light of ongoing feedback and the Administration's stated goal of strengthening U.S. leadership in digital asset innovation, does the IRS anticipate issuing revised or supplemental guidance that could provide relief for taxpayers engaged in staking and similar blockchain activities?
5. Are there administrative barriers to issuing updated guidance concerning the taxation of staking rewards before the end of 2025?

Thank you for your attention to these questions and for your continued leadership in advancing responsible tax administration for emerging financial technologies. We look forward to your responses and to continued collaboration as we work toward a sensible framework to govern digital asset taxation.

Sincerely,



Mike Carey
Member of Congress



Nicholas J. Begich III
Congressman for All Alaska



Young Kim
Member of Congress



Claudia Tenney
Member of Congress




Addison P. McDowell
Member of Congress



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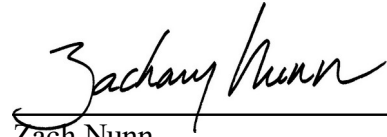
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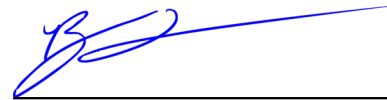
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