



March 11th, 2024

As described in detail below, NTU urges all Representatives to vote “YES” on three pro-taxpayer bills this week:

- **H.J. Res. 25, Congressional disapproval of the IRS digital asset sales rule**
 - **H.R. 1156, the Pandemic Unemployment Fraud Enforcement Act**
 - **H.R. 1968, Full Year Continuing Appropriations and Extensions Act**

NTU urges all Representatives to vote “YES” on H. J. Res. 25. This resolution under the Congressional Review Act would roll back the harmful Internal Revenue Service rule on “Gross Proceeds Reporting by Brokers that Regularly Provide Services Effectuating Digital Asset Sales.” This resolution will nullify the misguided “digital asset broker” rule promulgated by the Internal Revenue Service, which inappropriately usurps authority from Congress to define the next generation of financial technology.

This resolution was introduced by Rep. Mike Carey (R-OH) and would neutralize a harmful regulation finalized in the waning days of the Joe Biden Administration by the Internal Revenue Service. This regulation harms a still-developing industry by forcing tremendous compliance costs ([\\$260 billion annually](#)) onto decentralized finance platforms. Decentralized finance (DeFi) software allows consumers to exchange value worldwide usually at a fraction of the time of traditional banking and with little to no third-party involvement. Wire payments between two banks can take days, whereas transfers of Bitcoin or Ethereum are nearly instantaneous. This rule seeks to shovel this new industry into a traditional model of compliance akin to securities brokerages, where the DeFi platform which is merely the front-end access point and not involved in the actual transaction, (custodial/non-custodial). The rule forces a duty to collect substantial customer information and create a broker relationship where none was intended to exist—based on the very design of these digital protocols. Beyond the obvious issues with the compliance burden and the design of this regulation, the IRS went too far beyond statute in inventing wholesale definitions upon which this regulation is built.

Congress meaningfully defined “broker” under statute in this context, as “any person who (for consideration) is responsible for regularly providing any service effectuating transfers of digital assets on behalf of another person.”



The IRS expanded this definition to include “digital asset middleman” heretofore undefined in statute, to be a “person who provides a facilitative service as described in [the proposed regulations] with respect to a sale of digital assets wherein the nature of the service arrangement is such that the person ordinarily would know or be in a position to know the identity of the party that makes the sale and the nature of the transaction potentially giving rise to gross proceeds from the sale.” This regulation would severely damage the potential of the growing DeFi industry within the United States and should be cancelled. Congress should retake its authority and finally establish meaningful and discrete definitions of key terms so that this type of regulatory overreach cannot occur again.

Roll call votes on this resolution will be included in NTU’s annual Rating of Congress and a “YES” vote will be considered the pro-taxpayer position.

NTU urges all Representatives to vote “YES” on H.R. 1156, the Pandemic Unemployment Fraud Enforcement Act. This timely legislation will extend the federal statute of limitations from five to ten years for billions in fraudulent claims under the pandemic-era unemployment programs. If Congressional action is not taken, the window for prosecution will begin to close later this month, meaning fraudsters who have stolen billions in total will go unpunished.

During the COVID-19 pandemic, trillions of dollars in federal taxpayer funds were spent on a panoply of programs. Of this figure, well over \$500 billion went to unemployment programs meant to stabilize incomes for employees facing an emergency economic situation. Unfortunately, with such rapid disbursement of taxpayer dollars, criminals took advantage by stealing money from the federal and state governments. The Government Accountability Office estimates that [11-15%](#) of the total unemployment funds from this time were fraudulent, and the percentage [could be substantially higher](#). Ongoing [prosecutions](#) seek to punish those responsible and recoup lost funds. However, the statute of limitations for criminal penalties will end at the close of this month under current law. This legislation would further extend the time to bring charges by five additional years which would ensure that more criminals that stole taxpayer funds face due punishment and discourage future fraudulent schemes.

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NTU urges all Representatives to vote “YES” on H.R. 1968, the Full Year Continuing Appropriations and Extensions Act. This bill would continue FY 24 funding levels



through the remainder of FY 25 while also extending and making minor adjustments to several programs. While restoring regular order and passing twelve appropriations bills would be preferable, this legislation is worthy of support as it will reduce total discretionary funding levels by billions of dollars and does not include earmarks.

This continuing resolution funds the government until the end of the Fiscal Year 2025, which is September 30th. This means that if passed, the entirety of FY25 will operate under FY 24 funding levels. Taking into account normal inflation, this is a reduction in federal spending, even without counting the more than \$6 billion saved by this bill through recissions.

While NTU would have certainly welcomed a comprehensive return to regular order, the majority of this funding bill bears commending. As DOGE continues to seek out waste, fraud, and abuse, the Trump administration’s budget should help inform the appropriations process for FY 2026. With reforms to government-wide contracting and if wasteful programs can be trimmed or completely eliminated, then the country’s fiscal outlook will be significantly improved. Furthermore, NTU applauds the absence of earmarks in this legislation. NTU took issue with the inclusion of hundreds of pages in extraneous policy matters within the first iteration of the continuing resolution late last year, and the relative lack of anomalies in this bill is a marked improvement.

Roll call votes on this legislation will be included in NTU’s annual Rating of Congress and a “YES” vote will be considered the pro-taxpayer position.

If you have any questions, please contact NTU Senior Policy and Government Affairs Manager Nick Johns at Njohns@ntu.org

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