

HB0456S01 compared with HB0456

~~{deleted text}~~ shows text that was in HB0456 but was deleted in HB0456S01.

inserted text shows text that was not in HB0456 but was inserted into HB0456S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

~~{VIRTUAL CURRENCY}~~ Representative Jordan D. Teuscher proposes the following substitute bill:

DIGITAL USER ASSET PAYMENT AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jordan D. Teuscher

Senate Sponsor: _____

LONG TITLE

General Description:

This bill makes provisions related to the use of ~~{virtual currency}~~ digital user assets to pay taxes to the State Tax Commission.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ requires the ~~{State Tax Commission}~~ Division of Finance to contract with a third party to accept payment of taxes to the State Tax Commission in ~~{virtual currency}~~ digital user assets.

Money Appropriated in this Bill:

None

Other Special Clauses:

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~~{None}~~ This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

~~{59-1-307}~~ 63A-3-112, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section ~~{59-1-307}~~ 63A-3-112 is enacted to read:

~~{59-1-307}~~ 63A-3-112. ~~{Virtual currency}~~ Digital user asset collection.

(1) As used in this section:

(a) "Digital asset" means a representation of economic, proprietary, or access rights that is stored in a computer readable format.

(b) "~~{Virtual currency}~~ Digital security" means a digital asset which constitutes a security, as that term is defined in Section 70A-8-101.

(c) (i) "Digital user asset" means a digital asset that is used ~~{as:~~

~~— (i) a medium of exchange;~~

~~— (ii) a unit of account; or~~

~~— (iii) a store of value.~~

~~— (c) "~~{Virtual currency}~~ or bought primarily for consumptive, personal, or household purposes.~~

(ii) "Digital user asset" includes an open blockchain token.

(iii) "Digital user asset" does not include ~~{:~~

~~— (i) currency the United States government recognizes as legal tender;~~

~~— (ii) a transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant} a digital security.~~

(d) "Service provider" means a person with demonstrated experience exchanging digital user assets for legal tender ~~{ or bank credit, or }.~~

~~{(iii)} e) ~~{a digital representation of value that a publisher issues for use solely within an online game, game platform, or family of games that the publisher sells or offers on the same game platform.~~~~

~~— (2) ~~{The commission}~~ "Tax payment" means a payment for taxes that is paid directly to and is collected by the State Tax Commission.~~

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(2) The division shall contract with a ~~{person}~~service provider to:

(a) provide a service to collect a tax payment in the form of a ~~{virtual currency}~~digital user asset; and

(b) convert ~~{that currency}~~the digital asset into legal tender to pay the ~~{commission}~~

~~(3) The commission}tax payment.~~

(3) (a) When contracting with a service provider described in Subsection (2), the division has discretion to choose a service provider that can only provide the exchange service for a limited class or type of digital user asset.

(b) Nothing in this section shall be interpreted to require the division to provide the service described in Subsection (2) for all types of digital user assets.

(4) The division shall, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, make rules to establish standards that a person must meet to be eligible to enter into a contract as a service provider.

(5) The State Tax Commission may collect a convenience ~~{virtual currency}~~digital user asset payment fee established in accordance with the procedures and requirements of Section 63J-1-504 to cover the costs ~~{of virtual currency payments of taxes and fees that the commission administers}~~

~~(4) Notwithstanding any other provisions of this title, the commission shall use a fee imposed under this section as a dedicated credit to cover the costs of virtual currency payment. }to the State Tax Commission of administering the collection of a digital user asset tax payment.~~

(6) Nothing in this section shall be interpreted to impose liability upon the taxpayer or the State Tax Commission for a change in value of the digital user asset after the moment of payment to the service provider.

Section 2. Effective date.

This bill takes effect on July 1, 2022.