

“Too often government is afraid to embrace the future. We are on the precipice of a massive economic shift and if we want to truly benefit and maximize our potential advancements around blockchain technology, we must encourage American innovators to step up and have the federal government step aside.” - Marc Molinaro

## The Challenges We Face

*Inconsistent and confusing regulations plague the crypto and digital asset space because our legislators and regulators don't understand the technology or it's potential.*

*The SEC picks winner and losers and we are seeing this play out in SEC vs Ripple and the comments of it's Chairman Gensler.*

*Unbanked and underbanked individuals represent 63 million adults in the US. Blockchain can change that.*

*Negative perception of cryptocurrency stems from an inherent misunderstanding of blockchain technology. Too many dismiss it as a "meme" or fear it as a tool for criminals.*

*The US is falling behind in the blockchain technology race.*

*New York State's Bitlicense has staved off grassroots innovation by ensuring that only companies with abundant disposable capital can shoulder its notoriously time and capital-intensive application and compliance measures.*

## My Values and Beliefs

**Innovators must be allowed to thrive** - Government works best when it's smaller and smarter. This has never been more true than in the case of cryptocurrency.

**Self custody of one's own digital property is a fundamental right** - Blockchain technology represents financial privacy in its most efficient form yet. In addition, it has the potential to provide a system of online banking to those who have never before had access.

**Standardized and minimal regulation is necessary** - In order to increase consumer confidence and widespread adoption, we must impose some standards to the "wild west" of crypto. The SEC cannot be allowed to arbitrarily define winners and losers in this space as they have with assets like XRP, ETH and BTC. We must reign in the SEC before they do irreparable damage to the existing and fledgling institutions.

**We must reduce the confusing tax burden on NFTs and crypto** - Currently the IRS requires that individuals track gains and losses on each transaction they engage in across dozens of different digital currencies. This significantly erodes the efficiency gained from blockchain in the first place.

## The Path Forward

**Exclude Cryptocurrency from being classified and regulated as a security** by supporting the bi-partisan Token Taxonomy Act. This proposed legislation seeks to exclude digital currencies from being defined as securities by amending the Securities Act of 1933 and the Securities Exchange Act of 1934.

**Kill the NYS Bitlicense** by creating a federal crypto charter to standardize regulation across all 50 states instead of subjecting every company to many different sets of rules. Such regulation would supercede New York State's onerous and arbitrary regulation.

**Embracing stablecoins** will modernize the US Dollar. Stablecoin (those tokens tied directly to the value of the US dollar) innovation will further entrench the dollar's status as the world's reserve currency without undermining the monetary sovereignty and autonomy of the United States. In addition, stablecoins provide those who are underbanked or unbanked access to their value in digital wallets without the traditional centralized institutional intermediary.

**Eliminate the Capital Gains Tax on Most Transactions** by supporting the bipartisan Virtual Currency Tax Fairness Act. As we move toward mass adoption of digital goods, we must reduce the expensive and confusing tax burden on the vast majority of micro transactions. The bill would exempt from an individual's taxable income any gain resulting from a personal transaction using virtual currencies so long as the gain is less than \$200.