

Token Taxonomy Act to Address Blockchain, Innovation Flight in America

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Press Release

WASHINGTON, D.C. – Following a year of collaboration, the Token Taxonomy Act of 2019, H.R. 2144, was introduced today as the leading legislation to provide regulatory certainty for businesses, entrepreneurs, and regulators in the U.S.'s blockchain economy. Authored by Congressman Warren Davidson (OH-08) and co-sponsored by Representatives Darren Soto (D-FL-09), Josh Gottheimer (D-NJ-05), Ted Budd (R-NC-13), Tulsi Gabbard (D-HI-02), and Scott Perry (R-PA-10), the proposed law would clarify the numerous conflicting state initiatives and regulatory rulings, and patchwork of judicial decisions, that have clouded certainty for entrepreneurs and businesses that use blockchain technology.

This need for regulatory certainty is motivating market players to leave the U.S. for the certainty provided elsewhere. China, meanwhile, has endorsed blockchain technology as essential to its digital economy and emphasizes the importance of regulation to a healthy future. In fact, President Xi Jinping has said blockchain is ten times more important than the internet was. China is currently leading across the world with the number of underway blockchain-based projects.

Blockchain creates a secure, unalterable public record and is poised to dramatically change the world around us, from voting systems to health records.

“The Token Taxonomy Act is the key to unlocking blockchain technology in America,” **said Congressman Warren Davidson**. “Without it, the U.S. is surrendering its innovative origins and ownership of the digital economy to Europe and Asia. Passing this legislation, Congress would send a powerful message to innovators and investors around the world that the U.S. is the best destination for blockchain technology. In the early days of the internet, Congress passed legislation that provided certainty and resisted the temptation to over-regulate the market. Our intent is to achieve a similar win for America’s economy and for American leadership in this innovative space. I would like to thank my colleagues for their efforts on this bill including my colleague Darren Soto, a leader on the Energy and Commerce Committee, for his efforts on this bill and his accompanying legislation.”

“As blockchain technology continues to emerge, it is clear that there must be a framework in place that not only provides a much clearer path forward for open blockchain projects, but also will establish the United States as a leading force in this space,” **said Congressman Josh Gottheimer**. “That is why I am proud to support the bipartisan Token Taxonomy Act and look forward to working with Reps. Davidson and Soto in passing this legislation.”

“I am excited to introduce this bipartisan bill today with folks across the political spectrum and I want to thank Representative Warren Davidson in particular for all he has done to make this bill a reality,” **said Congressman Ted Budd**. “His commitment to the development of this

technology is commendable and I'm grateful for his leadership in this space. The Token Taxonomy Act will make sure the development of this technology stays in the United States all while promoting better investor protections, capital formation, and innovation. We need big, 21st Century ideas to help grow our economy and innovate for the future. The Token Taxonomy Act is one of those bold ideas."

"It is time for the United States to step up and lead in blockchain technology," **stated Representative Darren Soto**. "After months of public input, our Token Taxonomy Act and the Digital Taxonomy Act add critical definition and jurisdiction to create certainty for a strong digital asset market in the United States. This is an important step to promoting innovation and maximizing the potential of virtual currencies for the U.S. economy, all while protecting customers and the financial well-being of investors. The strong support for this bipartisan legislation from U.S. businesses and stakeholders is clear indication that our friendly, light-regulatory proposal will propel the United States to be at the forefront of this industry."

"Blockchain technology is fundamental to our future economy," **said Congressman Scott Perry**. "Whoever can successfully harness its power will dominate the global economy. Fortunately, the Token Taxonomy Act creates the regulatory environment that allows this technology to flourish, and ensure that our private industries remain at the forefront of this vital innovation. Thanks to my friend and colleague, Congressman Davidson of Ohio, for his leadership on this issue: I urge swift consideration of his proposal."

"In Hawai'i and across America, local and state leaders are looking at the potential for blockchain technology to create and expand economic opportunity," **said Representative Tulsi Gabbard**. "With the introduction of the Token Taxonomy Act today, Congress has the opportunity to help ensure that these efforts not only protect investors, but also promote innovation as well as new business opportunities that allow more diverse districts like mine to have greater security when participating in the digital economy."

Compared to H.R. 7356 in the 115th Congress, the Token Taxonomy Act of 2019 will further clarify the Digital Token definition to be more inclusive of changing technology. Jurisdictions for the FTC and CFTC were also cited to strengthen protections for consumers. While there have been many positive laws concerning crypto regulation, others like New York's onerous BitLicense law have been heavy-handed. A preemption provision was included to ensure The Token Taxonomy Act provides the certainty innovation needs to flourish.

The Token Taxonomy Act of 2019 enjoys broad, bipartisan support.

Click [here](#) for bill text.

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