

November 18, 2025

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

Dear Acting Commissioner Bessent,

I write to request additional information regarding the Internal Revenue Service's (IRS) 2023 guidance (Revenue Ruling 2023-14) on the treatment of cryptocurrency staking rewards as gross income. While the ruling offers an initial view on this important issue, many engaged stakeholders have expressed concern that the guidance is incomplete and may not fully reflect the economic realities or appropriate tax policy considerations underlying staking activities. Greater clarity from the IRS would help ensure consistency, support innovation, and inform ongoing congressional deliberations on the proper tax treatment of digital assets.

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 treats cryptocurrency as property for federal income tax purposes, but it did not address several key questions such as whether staking rewards are best characterized as income from services, property, or another source, or how taxpayers should determine fair market value in volatile markets.

The release of this guidance coincided with significant congressional activity to modernize digital asset taxation, including the Senate Finance Committee's July 2023 request for input on the timing and sourcing of income from staking and mining² and the introduction of bipartisan proposals to codify clear rules for such activities.³ Because Rev. Rul. 2023-14 provides only partial guidance, it has generated uncertainty for taxpayers, will likely complicate the revenue scoring of legislative proposals, and risks unintended confusion with forthcoming statutory frameworks.

In its 2025 report titled, "Strengthening American Leadership in Digital Financial Technology," the Trump Administration observed that "stakeholders have asked for clarification, modification, or reversal of [Rev. Rul. 2023-14]," and recommended that "Treasury and the IRS should review previously issued guidance related to the timing of income from staking and mining and consider whether to clarify, modify, or reverse that guidance."⁴ I agree with that assessment and believe that a thoughtful review by the IRS under your leadership would provide needed certainty and complement ongoing work in Congress.

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

² Letter from Chairman Ron Wyden & Ranking Member Mike Crapo, S. Comm. on Finance, to Members of the Digital Asset Community and Other Interested Parties (July 11, 2023), *available at* <https://www.finance.senate.gov/imo/media/doc/20230710letterrequestforcommentssigned.pdf>.

³ See, e.g., S. 2281, 118th Cong. (2023).

⁴ 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>.

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. A review of Rev. Rul. 2023-14 to clarify or update its treatment of staking rewards would be fully consistent with those priorities and with the Trump Administration's broader commitment to strengthening American leadership in digital asset innovation.

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

1. What considerations led the IRS to conclude that staking rewards should be recognized as gross income upon receipt, rather than deferred until sale or disposition—particularly given that many staking rewards remain illiquid or subject to transfer restrictions when first received?
2. Is it the IRS' view that the treatment of staking rewards under Rev. Rul. 2023-14 is consistent with the treatment of other analogous activities—such as mining, airdrops, or other consensus-based reward mechanisms? Were alternative approaches considered in an effort to achieve greater parity and administrability between these activities?
3. Prior to issuing Rev. Rul. 2023-14, what consultations did the IRS undertake with industry participants, tax practitioners, or other stakeholders to assess practical compliance challenges, valuation concerns, and potential economic distortions? How did that input inform the development of the ruling?
4. In light of ongoing feedback and the Administration's stated goal of strengthening U.S. leadership in this space, does the IRS anticipate issuing revised or supplemental guidance that could provide greater certainty and flexibility for taxpayers engaged in staking and similar blockchain activities?

Thank you for your attention to these questions and for your continued leadership in advancing responsible tax administration for emerging financial technologies. I look forward to your responses and to continued collaboration toward a clear, balanced framework for digital asset taxation.

Sincerely,



Todd Young
United States Senator