

Ways and Means Committee advances digital asset tax legislation

September 23, 2026

In brief

What happened?

The House Ways and Means Committee on September 16 voted 38 to 5 to approve [H.R. 10357](#), the Digital Asset Tax Certainty Act, as amended by a chairman's substitute, with all Committee Republicans and 12 Committee Democrats supporting the bill. The bill consolidates and modifies a series of digital asset tax proposals developed over the course of 2026, including provisions considered at the Committee's June legislative hearing (June package).

The bill also would repeal the limitation on wagering loss deductions enacted as part of the One Big Beautiful Bill Act (OBBBA). Notably, H.R. 10357 does not address the timing of income from mining and staking rewards, an issue that was included in earlier proposals and debated at the Committee's June hearing.

Why is it relevant?

H.R. 10357 would establish more tailored statutory rules for the tax treatment and reporting of digital assets, including by extending several existing tax regimes applicable to traditional financial assets to digital assets.

Actions to consider

Taxpayers and businesses with digital asset activity should assess how the proposed rules could affect transaction reporting, accounting methods, lending and trading arrangements, charitable contributions, and application of the wash sale and constructive sale rules. Businesses also should consider whether existing systems and records can support the proposed reporting and compliance requirements. Miners, validators, and staking businesses should continue to monitor legislative developments addressing the timing of income recognition for rewards.

In detail

Overview of key provisions

The Committee-approved bill includes provisions addressing the following areas:

- **Digital asset transactions and accounting (Title I).** The bill would provide nonrecognition treatment for certain digital assets used to pay network and transaction fees of \$10 or less; create an elective simplified accounting method for certain widely traded digital assets; and establish special basis and gain or loss rules for qualified US dollar stablecoins.
- **Lending and trading (Title II).** The bill would extend specified rules applicable to traditional financial assets to digital assets, including nonrecognition treatment for qualifying digital asset lending transactions, elective mark-to-market treatment for certain dealers and traders, and the Section 864 trading safe harbor.
- **Charitable contributions (Title II).** The bill would provide an exception from the qualified appraisal requirement for qualified US dollar stablecoins and certain widely traded digital assets and a separate nonrecognition mechanism for certain other digital assets when proceeds from their disposition are contributed to charity within the specified period.
- **Anti-abuse, international, and other tax rules (Title III).** The bill would extend the wash sale and constructive sale rules to certain digital assets and address subpart F and passive foreign investment companies (PFICs), US possessions, partnership transactions, registration-required obligations, worthless digital assets and digital asset futures, stablecoin lending, straddles, Section 197 intangibles, and backup withholding on certain illiquid digital assets received for validation activities.
- **Mining and staking (Title IV).** The bill would establish sourcing and ordinary-income character rules for mining, staking, and similar validation activities and provide rules for certain investment trusts engaged in staking.
- **Reporting and compliance (Title V).** The bill would clarify digital asset broker reporting requirements, including rules coordinating broker reporting with the stablecoin, de minimis fee, and simplified-accounting provisions, and establish a Digital Asset Voluntary Disclosure Program for certain prior digital asset tax violations.
- **Treasury study (Title V) and definitions and guidance (Title VI).** The bill would require Treasury to study the use of digital technologies to improve digital asset tax reporting and compliance. Separately, Title VI provides digital asset definitions and regulatory authority and states that it is the sense of Congress that Treasury should strongly consider issuing guidance on

matters including basis, valuation of illiquid digital assets, foreign currency treatment, tokenized assets, and whether certain digital asset transactions constitute realization events.

- **Wagering losses (Title VII).** The bill also would reinstate the pre-OBDDA rules for wagering loss deductions.

Comparison with the June package

H.R. 10357 generally consolidates proposals in the June package (see PwC's prior [Tax Insight](#)) and adds other digital asset tax provisions.

De minimis fees and simplified accounting

H.R. 10357 expands the de minimis fee relief proposed in H.R. 9178, the Less Tax Paperwork for Digital Asset Owners Act, which was part of the June package. H.R. 9178 would have allowed taxpayers to disregard gain or loss when a digital asset is disposed of to pay a network fee of \$10 or less for validating another digital asset transaction. H.R. 10357 retains that relief and extends it to certain transaction fees of \$10 or less, including brokerage, trading, liquidity, and similar fees paid to facilitate a digital asset transfer. The relief is subject to exceptions, including for traders, brokers, dealers, certain validation-facilitation businesses, and taxpayers with more than 5,000 digital asset transfers in the preceding tax year, subject to an administrative convenience exception.

H.R. 10357 also carries forward the simplified accounting election proposed in H.R. 9178 for certain widely traded digital assets. Instead of tracking gain or loss on each disposition, an electing taxpayer would compute aggregate annual gain or loss by asset type using beginning value, acquisitions, dispositions, and ending value. Any resulting gain or loss would be treated as short-term capital gain or loss. The election generally would apply prospectively and could not be revoked during the first five tax years to which it applies.

Mining and staking

The June package included H.R. 9175, the Tax Clarity for Mining and Staking Act, which would have required taxpayers to include the fair market value of newly minted digital assets in income upon acquisition, while allowing an election to defer income on qualified newly minted digital assets until disposition.

H.R. 10357 does not include those income-timing rules. Instead, the bill provides sourcing and character rules for income from digital asset validation-supporting activities. The income generally would be treated as US-source income for US residents and foreign-source income for nonresidents, with special rules for income attributable to US and foreign branches. For partnerships, the sourcing rules generally would apply at the partner level. The income would be treated as ordinary income. It also provides that an entity or arrangement would not fail to be treated as a trust solely because its trustee has specified powers relating to staking, staking rewards, and liquidity, unless the entity or arrangement actively conducts a trade or business of validating digital asset transactions.

Other changes from the June package

Beyond mining and staking, H.R. 10357 expands on several proposals considered in June. Among other changes, the charitable contribution provisions establish rules for certain digital assets beyond those covered by H.R. 9173, the Charitable Deductions for Digital Asset Donations Act; the anti-abuse

provisions include rules addressing US possessions, an issue considered separately in June; and the bill adds other international, partnership, and digital asset tax rules.

The bill also carries forward the Digital Asset Voluntary Disclosure Program proposed in H.R. 9174, including the certified and uncertified taxpayer categories and variable penalty structure. Participating taxpayers generally would have 24 months after the program is established to file amended returns and pay the resulting tax, interest, and applicable penalty.

Wagering losses

H.R. 10357 also includes the provisions of H.R. 6985, the FULL HOUSE Act, which would repeal the 90% limitation on wagering loss deductions enacted by OBBBA. For tax years beginning after December 31, 2025, wagering losses, including otherwise allowable deductions incurred in carrying on wagering transactions, would again be deductible to the extent of wagering gains.

What's next

Following approval by the Ways and Means Committee, H.R. 10357 can now move to the full House for consideration. No timing for further House action has been announced. While Committee approval represents a significant development for the digital asset tax proposals, the path to enactment remains uncertain. The House is not scheduled to return for legislative business until after the midterm elections. The Senate has not advanced the broader bill H.R. 3633, the Digital Asset Market Clarity Act, which had been viewed as a potential vehicle for digital asset tax provisions.

H.R. 10357 could instead advance separately, which could require bipartisan support during the post-election lame-duck session. The legislative path during the lame duck also could be affected by other congressional priorities. Depending on the post-election legislative agenda, Republicans could seek to address issues such as defense spending or the debt limit through budget reconciliation. Pursuit of a reconciliation package could make it more difficult to simultaneously advance bipartisan legislation during the limited lame-duck period.

H.R. 10357 also leaves some substantive issues unresolved. Most notably, it does not address the timing of income recognition for mining and staking rewards. Industry stakeholders also have raised concerns regarding that omission and the bill's de minimis threshold. Further negotiations over those issues could affect the timing and form of any subsequent legislative action.

The Joint Committee on Taxation (JCT) estimates that the bill would increase federal revenues by approximately \$500 million over fiscal years 2027 to 2036.

See also

- Tax Insight: [Ways and Means Committee debates digital asset tax package](#) (Jun. 17, 2026)

Let's talk

For a deeper discussion of how these proposals might affect your business, please contact:

Taxation of Digital Assets

Mazhar Wani
+1 (415) 515-4451
mazhar.wani@pwc.com

Joe Pahl
+1 (203) 623-3809
joe.pahl@pwc.com

Dave Lemke
+1 (415) 720-9719
david.lemke@pwc.com

Tax Policy Services

Andrew Prior
+1 (703) 980-4520
andrew.prior@pwc.com

Scott McCandless
+1 (202) 748-4760
scott.mccandless@pwc.com

Todd Metcalf
+1 (202) 304-5383
todd.metcalf@pwc.com

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