Slide 1: Digital Currency Payments
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Slide 2: Agenda
• Overview of digital currency
• Our research on cryptocurrency
• Digital payment options for tax liabilities

Slide 3: Digital Currency Overview
• Digital currency
  o Currency or money primarily exchanged over the internet
• Types of digital currency
  o Cryptocurrency
  o Virtual currency
  o Central bank digital currency

Slide 4: Digital Currency Overview
A graphic appears showing a four-step process of how blockchain works.
• Blockchain technology
• Blocks store transaction data

Slide 5: Digital Currency Overview
• Executive orders
  o March 9, 2022 President Biden’s Executive Order
    ▪ Ensuring Responsible Development of Digital Assets
  o May 4, 2022 Governor Newsom’s Executive Order
    ▪ Regulatory approach to spur responsible innovation while protecting California consumers

Slide 6: Research on Cryptocurrency
• Market volatility
• Stability of cryptocurrency
• Impact on unbanked and under-banked community
• Other states’ acceptance of cryptocurrency
Slide 7: Tax Liability Payment Considerations

- Statutory Requirements
- Digital payment challenges
  - Complex system, communication, and process changes
  - Require use of third-party vendor
  - Transaction fees
- Regulatory and environmental factors

Slide 8: Questions?

Slide 9: Public Comment