

# Digital Currency Payments PowerPoint

Franchise Tax Board Meeting

Friday, September 23, 2022

## Slide 1: Digital Currency Payments

Presenters' Names: Yvonne Crankfield – Filing Division and Jon Kosiewicz – Finance and Executive Services Division

September 23, 2022

## Slide 2: Agenda

- Overview of digital currency
- Our research on cryptocurrency
- Digital payment options for tax liabilities

## Slide 3: Digital Currency Overview

- Digital currency
  - Currency or money primarily exchanged over the internet
- Types of digital currency
  - Cryptocurrency
  - Virtual currency
  - 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
  - March 9, 2022 President Biden's Executive Order
    - Ensuring Responsible Development of Digital Assets
  - 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**