

[Date]

The Honorable [Representative's Full Name]
[Office Address]
Washington, DC 20515

Dear Representative [Last Name],

As one of your constituents, I am writing to request your support for an important initiative that has the potential to make a significant positive impact on countless Americans. Specifically, I urge you to co-sponsor a small but meaningful piece of [legislation](#)¹ that a number of your colleagues have already expressed a willingness to support.

This proposal is noteworthy for several reasons:

1. **It is non-partisan.**
2. **It supports Americans of every income class, not just the wealthy.**
3. **It achieves its objectives without appropriation or cost to the federal government or taxpayers.**

This legislation provides an equitable means for Americans to empower themselves economically—*by their own bootstraps*. It enables communities to create and utilize their own forms of money to stimulate their local economy, and particularly their non-profit organizations, that provide critical services. These currencies are similar in concept to cryptocurrency, another form of private money, but are distinct in function and structure.

Cryptocurrencies are global in nature and are primarily bought to be held as an asset with a profit-making purpose, rather than circulated for general economic development of a specific geographic region. As a result, they are typically owned by wealthier individuals, with only ~16% of U.S. citizens owning crypto.²

So, what about the rest of us? This initiative would focus on local currencies and provide us with the tools to immediately pursue our own local success, a principle that many in Congress encourage, but rarely provide the resources to achieve.

This concept of a people's currency isn't new; it's modeled directly from highly [successful programs from the past](#).³ However, a critical [tax-related barrier](#)⁴ currently limits the potential of these efforts. A minor legislative amendment—outlined in the attached rider—could eliminate this barrier and unlock unprecedented opportunities for local nonprofits to fund and expand vital programs in their communities. By enabling these community-driven initiatives, this rider would amplify the impact of grassroots efforts by more than an order of magnitude.

To maximize its chances of success, this rider could be attached to one of several bills potentially under consideration. For example:

- Any tax-related bill introduced by the new Congress, or

¹ <https://wethepeoplecampaign.net/legislation/>

² <https://www.triple-a.io/cryptocurrency-ownership-data>

³ <https://wethepeoplecampaign.net/examples/>

⁴ <https://wethepeoplecampaign.net/government/#Regulations>

- Any bill related to appropriations (even though this does not require an appropriation)

While those kinds of bills may favor wealthier Americans, incorporating this rider would create a critical balance by delivering direct benefits to everyday citizens. It is an elegant way to ensure that the broader economic landscape supports all Americans, not just the privileged few.

Representative [Last Name], you have a powerful opportunity to champion legislation that directly addresses some of the economic challenges voters care most about. By exploring and supporting this initiative, you can help equip Americans with the tools they need to build stronger, more resilient communities.

I would be grateful if you and your legislative staff could review this proposal in detail and consider sponsoring this rider.

If you or they wish to know more, and/or wish to join your fellow representatives in sponsoring this rider, please contact the principal author, Michael Sauvante, sauvante@scf.green, (805) 757-1085.

Thank you for your time and for your dedication to serving our district. I look forward to your response.

Text of the proposed legislation is on the following page.

Sincerely,

[Your Full Name]

[Your Address]

[City, State, ZIP Code]

[Email Address]

[Phone Number]

Proposed Legislation

Community Virtual Currencies Issued by Non-profits under § 501(c)(3) and § 501(c)(4) of U.S. Code Title 26

1. S. Code Title 26, Subtitle A, Chapter 1, Subchapter F, Part 1, Section 501 shall be modified to include a new subsection (s) as follows:
 - 501(s) Transactions in Virtual Currencies Exempt from Taxation
 - a. All financial transactions made with a virtual currency issued for purposes of regional economic development by entities formed under § 501(c)(3) and § 501(c)(4), shall be exempt from federal taxation. Any purchase of said currency by a business using U.S. dollars for the purchase, may be treated as an expense to that business and be deductible from their gross income. The Department of the Treasury may establish whatever rules it determines are required to implement this mandate, including the systems for policing of the non-profits compliance and potential abuse and
 - b. All non-profit organizations formed under § 501(c)(3) and § 501(c)(4) wishing to issue such tax-exempt currencies are required to register that intention with the IRS before being allowed to issue such tax-exempt currencies. Existing § 501(c)(3) and § 501(c)(4) organizations that can demonstrate for a period of at least one year prior to that registration date any form of general economic development efforts for the benefit of society at large shall be automatically entitled to issue such currencies upon registration with the IRS. Any § 501(c)(3) and § 501(c)(4) organizations wishing to issue such currencies that are newly formed or without at least one year of economic development activities intended to benefit society at large shall enter a trial period with the IRS of one year in which those organizations can demonstrate that they are conducting their efforts for a public benefit and not to the benefit of individuals. Thereafter all such § 501(c)(3) and § 501(c)(4) organizations will need to provide the IRS with annual reports detailing their economic development activities and the corresponding issuance of a local virtual currency in support of those activities, and
 - c. The IRS shall terminate a non-profit's tax exemption status for misuse of the right to issue a tax-exempt currency, because of that non-profit doing so for the benefit of private individuals.
2. Any non-profit organization formed under § 501(c)(3) and § 501(c)(4) shall be exempt from having to register with FinCEN as a money services business.
3. Any virtual currency issued by entities formed under § 501(c)(3) and § 501(c)(4) shall be exempt from being considered securities by the Securities and Exchange Commission, whether said currencies are tied to, or backed by, any manner or form of assets.
4. All federal agencies that have oversight of state and federally chartered banks and credit unions shall treat any virtual currencies issued by non-profit organizations under U.S. Code Title 26, § 501(s), and held by a state or federally chartered bank or credit union, as equal to U.S. dollars for purposes of determining such things as, but not limited to: reserve requirements, insurance payments, balance sheet evaluations, etc. The value of said currencies shall be the dollar equivalent established by the issuing non-profit organization.

In the case of banks, the Federal Deposit Insurance Corporation shall accept such virtual currencies for partial or full payment of required insurance payments due from that bank as though said payment were in U.S. dollars. In the case of credit unions, the National Credit Union

Share Insurance Fund shall accept such virtual currencies for partial or full payment of required insurance payments due from that credit union as though said payment were in U.S. dollars.

5. Should any state or federally chartered bank or credit union wish to exchange any virtual currency held by said bank or credit union and issued by a non-profit organization under U.S. Code Title 26, § 501(s) for U.S. dollars from the Federal Reserve, the Federal Reserve shall purchase said currency from the requesting bank or credit union. The value of said currencies shall be the dollar equivalent established by the issuing non-profit organization. Any party that exchanges their virtual currency for U.S. dollars from a bank or credit union shall be subject to taxation on the amount of dollars received. The amount of that taxation shall depend on the type of underlying transaction that caused that party to receive the virtual currency, which will then determine the type and amount of the taxation.