Emerging Blockchain Policies in State Government

FTA Annual Meeting Indianapolis, IN June 24, 2019

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Blockchain, Defined.

Definition of blockchain in English:

blockchain 🐠









NOUN

A system in which a record of transactions made in bitcoin or another cryptocurrency are maintained across several computers that are linked in a peer-to-peer network.

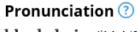
'we can actually have a look at the blockchain and see evidence of what's going on'

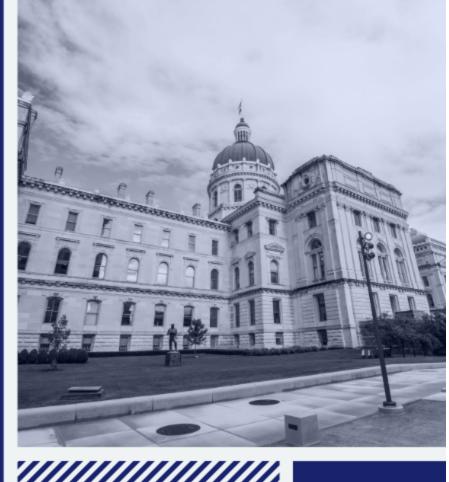
+ More example sentences

Origin

Early 21st century from block + chain.

blockchain / blokt(eɪn/ ◄))





"Blockchain." Oxford Dictionary online. 2019. https://en.oxforddictionaries.com (21 June 2019).

Blockchain, Defined better.

blockchain noun

block·chain | \ 'bläk-ˌchān • \

Definition of blockchain

: a digital database containing information (such as records of financial transactions) that can be simultaneously used and shared within a large decentralized, publicly accessible network

also: the technology used to create such a database

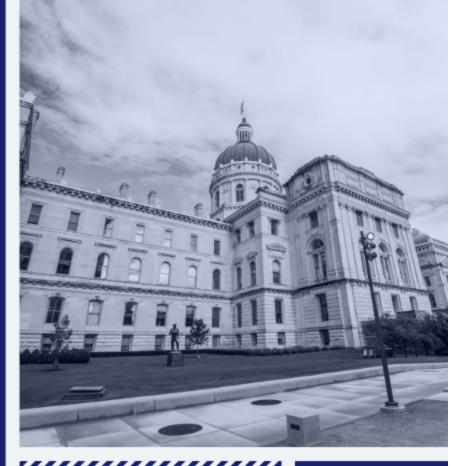
// The technology at the heart of bitcoin and other virtual currencies, *blockchain* is an open, distributed ledger that can record transactions between two parties efficiently and in a verifiable and permanent way.

- Marco Jansiti and Karim R. Lakhani

First Known Use of blockchain

2011, in the meaning defined above

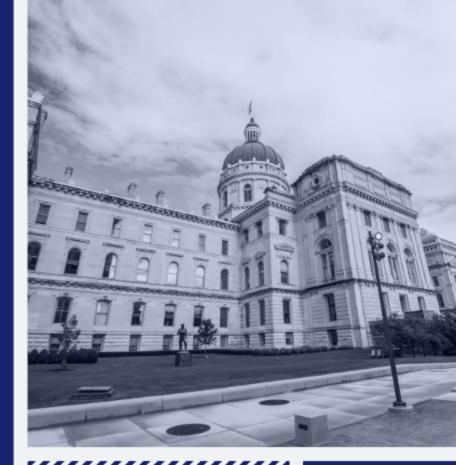
"Blockchain." *Merriam-Webster* online. 2019. https://www.merriam-webster.com (21 June 2019).





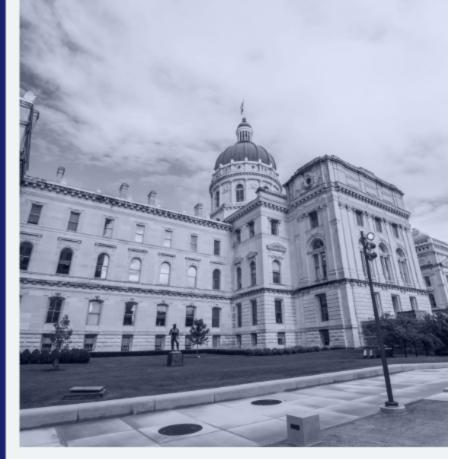
Promised Benefits.

- Building of trust in generally untrusting environments
- Improved efficiency
- Transparency
- Reduction in bureaucracy



A Few Policy Considerations.

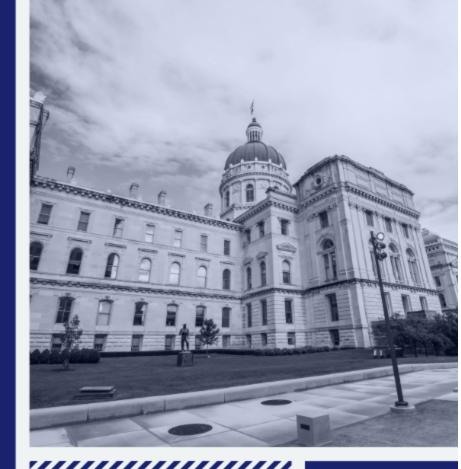
- Voluntary compliance demands the public trust tax administration, including information and systems.
- Inherent lack of knowledge and lack of trust with new technology.
- Appearance of friction between handling of FTI and use of blockchain which by definition is widely distributed.
- Does the cost justify the benefit of a particular application?
- Shiny new object, or truly useful technology?





Change Management.

- Innovators
- Early Adopters
- Early Majority
- Late Majority
- Late Adopters
- Diehards



Developments in Indiana.

No current deployment of blockchain

2019 Regular Legislative Session

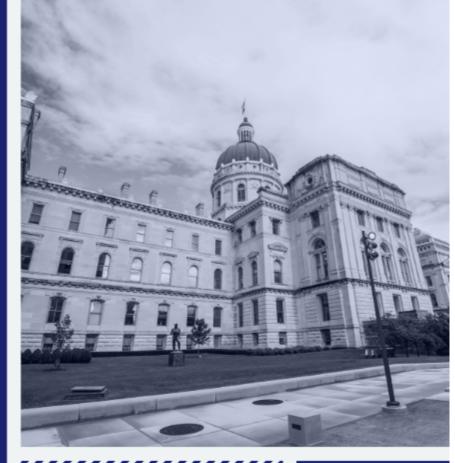
Senate Resolution No. 9

• Urging the Legislative Council to assign the subject of virtual currency regulation to a summer/interim study committee.

House Bill 1683

• In introduced form, sought to authorize payments for taxes and other liabilities imposed under tax administration article of Indiana Code to be made in cryptocurrency.

Other uses under consideration?





Approaches to Getting Started.

Do Nothing

- No official mandate or authority
- Informal, self-directed analysis

Study

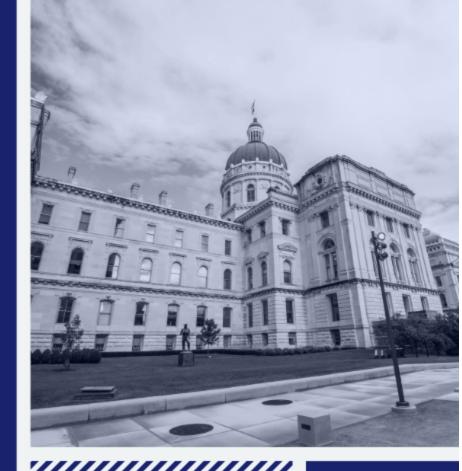
- Official studies, task forces & workgroups
- RFPs

Small Moves

- Definitions
- Use of distributed ledgers for books and records
- Payment processing

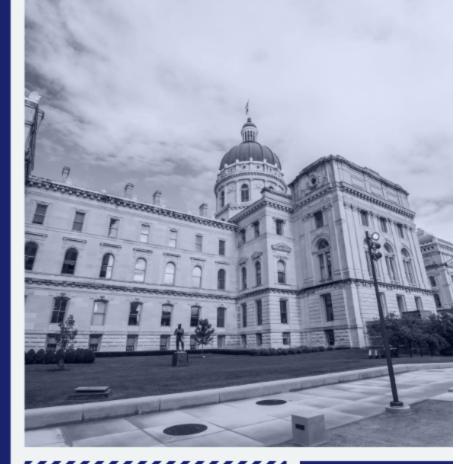
Big Moves

Use in essential government functions



Payments with Cryptocurrency.

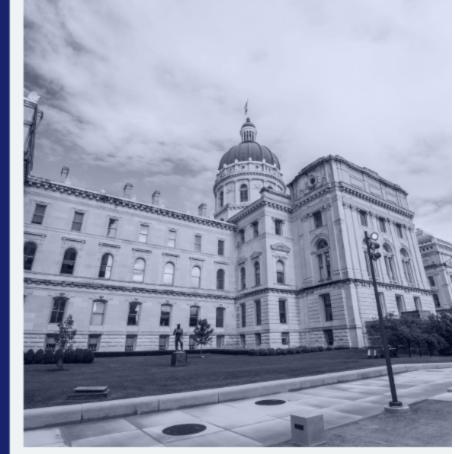
- Impression the authority is accepting cryptocurrency
- Actually utilizing a third-party intermediary
- Third-party converts cryptocurrency to cash/currency
- Authority receives cash/currency, not cryptocurrency

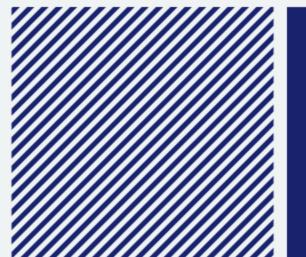




Appearance in Certain Marketplace Laws.

• Define a marketplace facilitator as someone who contracts to sell a seller's products when it operates a marketplace and ... (C) provides a virtual currency that buyers are allowed or required to use to purchase products from the seller...





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