



April 30, 2019

Nevada Assembly Committee on Taxation

Via e-mail: AsmTax@asm.state.nv.us

Letter in Support of Senate Bill 164

Thank you, Madame Chair and members of this committee for your time today. My name is Matthew Digesti, Vice President of Government Affairs and Strategic Initiatives for Blockchains, LLC. It is a pleasure to be discussing with you this exciting time in the evolution of Nevada's software technology industry.

Before I get into the substance of SB 164, I would like to take a moment to explain why Blockchains is supporting this bill. If passed, this bill will benefit the entire Nevada blockchain ecosystem by providing clarity in areas where uncertainty currently exists. More specifically, SB 164 defines virtual currency and provides for tax treatment equal to other intangible personal property in Nevada. The policy driving this bill is critical to the ecosystem because legal clarity sets the foundation for investment. And with investment comes economic opportunity for the residents of Nevada.

At Blockchains, we are not just building a technology company – we are helping to create an entire ecosystem to move technology-based economic development forward. And like the early 1990's when Silicon Valley quickly became the global destination for a nascent technology called the internet, we believe Nevada is positioned to become a global destination for blockchain. Economic development opportunities like this come once in a generation and Blockchains is resolute in our commitment to assist Nevada in attracting the best and brightest in the blockchain community.

Thoughtful legislation is a critical component in reaching this goal. Thanks in very large part to Senator Kieckhefer, since the passage of SB 398 in the 2017 legislative session, Nevada has become a national leader in recognizing blockchain technology and signaling to the ecosystem that Nevada understands and embraces this technology. By informal estimates, Nevada has seen well over a quarter billion dollars in venture capital, direct economic impact, and indirect economic impact since SB 398 was passed. And we are still in this technology's infancy.

However, the potential economic impact of blockchain is no longer a secret. Wyoming, Delaware, Vermont, Arizona, Colorado and a host of other states are passing legislation to attract blockchain companies. Why? In 2018, venture capital invested \$1.3 billion dollars in blockchain companies. The race is already on for states to attract quality blockchain-focused companies and the billions in investment dollars that will follow them.

To maintain and improve Nevada's standing as a blockchain destination, it is not enough to have foundational blockchain legislation, such as SB 398, on the books. The next evolution of blockchain legislation is necessary to continue providing blockchain companies and investors with the certainty necessary for them to commit their resources through investment in our great state. SB 164 is an excellent step in that direction.

A handwritten signature in black ink, appearing to read "Matthew Digesti".

Matthew Digesti, Esq.

Vice President of Government Affairs and Strategic Initiatives