

# Fiscal Note

**BILL #** SB 1026

**TITLE:** virtual currency; property tax exemption

**SPONSOR:** Rogers

**STATUS:** Senate Engrossed

**PREPARED BY:** Benjamin Newcomb

## Description

SB 1026 exempts virtual currency from property tax in the state. It also defines virtual currency as a digital representation of value that functions as a medium of exchange, a unit of account, and a store of value other than a representation of U.S. or foreign currency. The bill is conditional on voter approval of SCR 1001.

## Estimated Impact

Under current law, virtual currency is not taxed as property in the state. Therefore, we anticipate the bill will have no fiscal impact.

We have asked the Department of Revenue (DOR) for their estimate of the bill's impact but have not yet received a response.

## Analysis

Virtual currency is not currently subject to ad valorem property taxes in the state. According to the Internal Revenue Service (IRS), any income derived from the sale of virtual currency is treated as a taxable gain for individual income tax purposes. Virtual currency is treated the same way at the state level in Arizona. Since IIT is distinct from property tax, exempting virtual currency from property tax will have no fiscal impact.

## Local Government Impact

None

3/5/25

