

February 25, 2025

Dear Member of Congress,

We, the undersigned organizations, write to express our opposition to the Internal Revenue Service's [midnight rulemaking](#) on digital asset brokers. This rule expands the definition of "broker" to an absurd degree, capturing software developers while compromising the personal identifying information of tens of millions of consumers.

We urge you to nullify the digital asset broker rule through a joint resolution of disapproval under the *Congressional Review Act*, forestalling any substantially similar rulemakings in the future.

The rule expands the definition of "broker" to include software developers behind wallets that allow users to self-custody their assets and make it easier to connect to decentralized finance ("DeFi") protocols—whether or not they do so for profit. Like ill-considered AI liability laws, this rule would make developers responsible for the potential uses of their products and reduce consumer choice, even when wallets are developed for free.

The rule also requires these industry participants to first collect and then report to the government transaction details and the personal identifying information of tens of millions of users. This would be one of the largest-ever transfers of private data and would centralize yet more power in the hands of the IRS, an agency with a sordid history of mishandling and abusing taxpayer information. One need look no further than the recent prosecution of IRS contractor Charles Littlejohn, who [stole](#) private taxpayer files that were subsequently leaked to the press.

In addition to dramatically infringing on the privacy and security of Americans, the rule disincentivizes innovation by turning developers into brokers, imposes reporting requirements that could crush crypto start-ups, and ignores clear congressional intent. The authorizing statute defines brokers as parties "effectuating transfers on behalf of another person." Stretching this to include those who create tools that facilitate commerce is an absurd abuse of the statute and a naked power-grab by the IRS.

For these reasons, we urge you to nullify this rule through a joint resolution of disapproval under the *Congressional Review Act*.

Sincerely,



Grover Norquist
President
Americans for Tax Reform



James Erwin
Interim Director
Shareholder Advocacy Forum



Chuck Muth
President
Citizen Outreach



Tom Hebert
Executive Director
Open Competition Center



Seton Motley
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Less Government



Lorenzo Montanari
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Property Rights Alliance



Yaël Ossowski
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Matthew Kandrach
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Consumer Action for a Strong
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Brent Gardner
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Dick Patten
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American Business Defense Council



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