

June 16, 2026

The Honorable J.B. Pritzker
Governor of Illinois
401 S. Spring St.
Springfield, IL 62704

Governor Pritzker,

The Crypto Council for Innovation (CCI) writes to respectfully urge you to issue a line item veto for Article 3 of SB 3019, the Digital Asset Privilege Tax Act. We are concerned this tax on digital asset activity could have severe consequences for Illinois' digital asset industry and consumers.

CCI is a global alliance of industry leaders within the digital assets industry committed to promoting the advantages of responsible digital asset innovation while showcasing their potential for market transformation. CCI's members represent various sectors within the digital asset ecosystem and share a common objective: advocating for responsible global regulation of digital assets to unlock economic opportunities, enhance quality of life, promote financial inclusivity, safeguard national security, and counter illicit activities. CCI firmly believes that achieving these objectives necessitates well-informed, evidence-driven policy choices achieved through collaborative participation with regulators and policymakers.

If enacted, the Digital Asset Privilege Tax Act would position Illinois as the only state in the country to punitively tax Illinois customers for simply receiving covered digital asset business activity. Unlike traditional tax frameworks that are tied to income, gains, or profits, this law would impose a 0.2% tax on everyday customer's use of digital asset services such as exchange, transfer, or custody activities. The Act contains no meaningful exemptions for many common activities that digital asset users routinely undertake, such as transferring digital assets between one's own accounts, making it even more likely that everyday consumers will bear the costs of this new tax.

Illinois would be creating a novel tax regime that uniquely and disproportionately burdens residents for simply using digital assets. We fear this proposal would seriously impair digital asset use and investment, as well as the state's ability to attract new entrepreneurs and maintain its burgeoning startup community. This punitive structure would have a profound chilling effect on digital asset activity in Illinois. No other state in the country has adopted a similar transaction-based tax, meaning Illinois would be an outlier in an increasingly competitive landscape for digital asset innovation.

This proposal is at odds with sound tax policy. There is effectively no comparable state financial transaction tax imposed on the exchange, transfer, or custody of stocks, bonds, or derivatives anywhere in the country. Although [such proposals](#) have been made in Illinois, they have not become law. Article 3 thus singles out digital assets for uniquely punitive treatment based not on the substance of the underlying transaction, but solely on the technology used to process it. An investor who exchanges, transfers, or holds a stock, bond, or derivative in paper form incurs no such liability; yet a transaction of that very same instrument is taxed if it happens to occur on a blockchain. Taxing a transaction based on the medium through which it occurs is akin to taxing correspondence because it is delivered by email rather than by post. Rather than embracing innovation and the cost efficiencies that blockchain technology can deliver for ordinary Illinois investors and consumers, the state is poised to punish the very entrepreneurs and citizens seeking to put this technology to work.

It is important to note that CCI and its members are merely calling for parity, not special treatment. Like assets should be taxed alike. A tax on transferring digital assets with no equivalent for traditional assets picks winners and losers through the tax code.

We are also troubled by the process through which this proposal advanced. A first-of-its-kind tax targeting an entire industry and the Illinois residents who use its products and services calls for meaningful stakeholder engagement before enactment. Such a significant policy change warrants careful study, public input, and a thorough examination of its potential impact on consumers, businesses, and the state's economy. Yet affected stakeholders were not afforded the opportunity to provide input on a proposal that could fundamentally reshape digital asset activity in Illinois and around the country.

The proposed tax is also particularly ill-timed, arriving just as digital asset businesses are preparing to navigate marketplace disruptions resulting from implementation of the Digital Assets and Consumer Protection Act (DACPA).

Moreover, Congress is now racing to advance a national tax framework for digital asset activity.¹ Illinois should focus on addressing challenges that may arise from DACPA's implementation and defer consideration of its tax proposal until a national consensus has been reached. This will ensure alignment with federal standards and avoid inadvertently kick-starting a fifty state patchwork on digital asset tax policy.

¹ See, e.g., Bipartisan 'PARITY' Act Introduced to Modernize Digital Asset Tax Rules, Thomson Reuters Checkpoint (May 28, 2026), <https://tax.thomsonreuters.com/news/bipartisan-parity-act-introduced-to-modernize-digital-asset-tax-rules/>; See also Full Committee Legislative Hearing on Digital Asset Taxation Before the H. Comm. on Ways & Means, 119th Cong. (June 9, 2026), <https://waysandmeans.house.gov/event/full-committee-legislative-hearing-on-digital-asset-taxation/>.

We look forward to continuing to work with your administration to ensure Illinois can grow its emerging financial technology sector while furthering responsible oversight.

Respectfully,

A handwritten signature in black ink, appearing to read 'Ji Hun Kim', with a stylized flourish at the end.

Ji Hun Kim
Chief Executive Officer
Crypto Council for Innovation