



Percy Lee Writes About Paying Employees in Cryptocurrency for Corporate Taxation

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IPB associate Percy Lee authored the article "An Unregulated Asset In A Regulated World: Paying Employees In Cryptocurrency," for the June issue of *Corporate Taxation*.

From the introduction: "The 2010s saw the emergence of Bitcoin as a transformative innovation in payment systems. Yet even before the technology has realized its full promise, it has seemingly been eclipsed by its own notoriety as an explosive investment. As its fluctuating prices have dominated headlines, Bitcoin as an investment has solidified its place within mainstream consciousness. Meanwhile, Bitcoin as a technology remains somewhat esoteric, acknowledged but not understood. The technology is admittedly sophisticated, but a bigger impediment for the layperson might be the exaggerated reputation of Bitcoin and other cryptocurrencies for being a domain of unregulated lawlessness and illicit activity. This is the central tension of Bitcoin, and cryptocurrency generally, in 2021: it is cryptic and over-exposed.

The tension is magnified by the regulatory telescope of the employer-employee (and, to a lesser extent, employer-contractor) relationship. Payment, taxation, and deferral of wages are highly regulated processes under state and federal law. Viewed through these lenses, cryptocurrency is rife with complex legal issues, traps for the unwary, and unanswered questions. This paper explores these issues by introducing cryptocurrency technology and then providing an overview of the intersections of cryptocurrency with tax, wage and hour law, executive compensation, securities regulation, and employee benefits."

For more information about tax issues related to cryptocurrency, please visit our [Cryptocurrency resources page](#).