



May 10, 2023

Wyoming Legislative Select Committee on Blockchain,
Financial Technology, and Digital Innovation Technology

Re: Testimony on Wyoming Stable Token Ecosystem

Dear Chairs and Members of the Select Committee:

Thank you for the opportunity for American CryptoFed DAO (“CryptoFed”) to provide public testimony for the Wyoming Stable Token ecosystem before the Select Committee on Blockchain, Financial Technology and Digital Innovation Technology (“Committee”).

We will attend the Committee’s meeting on May 15, 2023 and provide oral testimony during the session entitled “Wyoming Stable Token Commission Updates”, based on this written testimony.

On May 8, 2023, CryptoFed testified before the Wyoming Stable Token Commission (“Commission”), and raised the following three questions for consideration by the Commission’s Board:

- i) In order to pay Wyoming Sales and Use Tax obligations, will merchants be forced to convert Wyoming Stable Token back to US dollars?
- ii) Will Wyoming’s respective State, County, & City Governments, public agencies and public schools be able to accept Wyoming Stable Token natively for payment of public services, taxes, public school tuition, if other large US merchants operating in Wyoming consent to accept Wyoming Stable Token as payment for daily purchase transactions of goods and services?
- iii) Will these respective State, County, & City Governments, public agencies and public schools make a concerted effort to use and spend Wyoming Stable Token at those large US merchants who’ve consented to accept Wyoming Stable Token as payment for daily purchase transactions of goods and services?



These three questions above provide a simplified outline of circulation for the Wyoming Stable Token (“WST”) ecosystem. Further, to bring small businesses into WST circulation, it’s important for us to add an additional question, as below:

- iv) Will the Downtown Development Authorities of Cheyenne, Laramie and Casper, which are municipal entities, encourage local merchants in their communities to accept Wyoming Stable Token as payment for purchase of goods and services?

Mr. John Drechny, the CEO of Merchant Advisory Group (MAG) has testified before this Committee in January 2022 in support of a Bill for an Act relating to sales and use taxes which was sponsored by Representative Ocean Andrew. Please see the following two links.

- MAG’s Testimony

https://wyoleg.gov/InterimCommittee/2021/S19-20220124MAG_Wyoming_Sales_Tax_Testimony_1_21_2022.pdf

- The Bill for an Act relating to Sales and Use Taxes

<https://wyoleg.gov/InterimCommittee/2021/S19-2022012422LSO-0251v0.6.pdf>

MAG represents over 150 of the largest U.S. merchants accounting for over \$4.8 Trillion in annual sales at over 580,000 locations across the U.S. and online. Roughly \$3.5 Trillion of those sales and over 100 billion card payments are electronic, representing approximately 62% of total U.S. card volume.

If these US large merchants are obligated to convert WST back to US dollar in order to pay sales and use taxes, they will first have to redeem WST with the Commission which will definitely a) reduce the revenue for the Commission, and b) generate more routine daily work for both the Commission and merchants while adding unnecessary expenses.

The reasonable solution is that the State of Wyoming allows these merchants to pay their sales and use taxes in WST, logically leading to an inevitable conclusion that the State of Wyoming accepts WST as payment for all taxes and public services.

If the State of Wyoming receives WST as revenue, the best way to handle WST is that the State Government spend WST in its ordinary course of business, rather than converting back to the US dollar. Converting WST back to US dollar by Wyoming’s respective State, County, & City Governments, public agencies and public schools, will reduce revenues for the Commission.



Wyoming’s State, County, & City Governments, public agencies and public schools can accept WST as merchants and spend WST as consumers. With the encouragement of Wyoming’s respective State, County, & City Governments, public agencies and public schools, merchants, both large and small, in Wyoming and nationwide, will mutually accept and spend WST during their ordinary course of business, creating a virtuous cycle of WST ecosystem with every transaction.

For all the reasons set forth above, American CryptoFed respectfully petitions that this Committee initiate the necessary legislation to:

- i) enable merchants to pay sales and use taxes in Wyoming Stable Token;
- ii) enable Wyoming’s respective State, County, & City Governments, public agencies and public schools to consent to accept Wyoming Stable Token as payments for all taxes and public services; and
- iii) enable Wyoming’s respective State, County, & City Governments, public agencies and public schools to spend Wyoming Stable Token during their ordinary course of business.

CryptoFed appreciates the pioneering efforts of Wyoming’s lawmakers to explore the potentials of cryptocurrencies in the real world, beyond speculative use cases. We look forward to an ongoing dialogue with Wyoming’s legislators.

Sincerely,

/s/ Scott Moeller

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