

## OhioCrypto.com Update

- In late November 2018, then-Ohio Treasurer Josh Mandel announced the launch of OhioCrypto.com, a cryptocurrency tax payment portal.
- Using the OhioCrypto.com portal, businesses may satisfy certain tax obligations by utilizing the third-party payment processor, BitPay, to convert cryptocurrency into US dollars to then be submitted to the Ohio Treasury as acceptable payment.
  - **No form of cryptocurrency is accepted by or held in the Ohio Treasury.**
- In the 10 months since OhioCrypto.com's launch, fewer than 10 businesses have chosen to pay taxes through this method. Due to confidentiality protections in law, the Treasurer's office is unable to provide specifics regarding such payments.
- **Upon internal review, the Ohio Treasurer's Office believes OhioCrypto.com falls under the definition of a "financial transaction device," as outlined in Section 113.40 of the Ohio Revised Code.**
  - **As such, the office also believes the third-party payment processor should have been authorized by the Board of Deposit, which consists of the Attorney General, Auditor of State, and Treasurer of State.**
- A "financial transaction device" is defined to include "a credit card, debit card, charge card, prepaid or stored value card, or automated clearinghouse network credit, debit, or e-check entry that includes, but is not limited to, accounts receivable and internet-initiated, point of purchase, and telephone-initiated applications, or any other device or method for making an electronic payment or transfer of funds."
- Section 113.40 goes on to state, "each state office or entity subject to the board's resolution adopted under division (B) of this section shall use only the financial institutions, issuers of financial transaction devices, and processors of financial transaction devices with which the board of deposit contracts, and each such office or entity is subject to the terms of those contracts."
- Treasurer Sprague remains committed to embracing innovative new technologies and processes that will continue to advance Ohio into the future.
- However, as the trusted steward and protector of Ohio's tax dollars, the Treasury must ensure that all programs and processes are set up and operated in accordance with Ohio law.
- With those responsibilities in mind, the Board of Deposit, at the recommendation of Treasurer Sprague, has asked the Attorney General's office for a formal opinion as to whether or not the payment method facilitated by BitPay constitutes a "financial transaction device" under Ohio law.
- Operation of OhioCrypto.com has been suspended while awaiting the Attorney General's formal opinion.