

"We want them here, we value them and they should give us a hard look."

That's the message Nevada Senator Ben Kieckhefer wants to convey to blockchain and cryptocurrency startups the world over.

The lead sponsor of a [recently passed](#) bill that prohibits the taxation of blockchain technology in the US state, Kieckhefer affirmed in new interview that Nevada is committed to leading the way in providing a stable legal framework and business-friendly environment for industry innovators.

He told CoinDesk:

*"It's certainly the hope that this environment will draw the attention of people who are interesting in starting companies or looking for a home base for a company and utilizing blockchain."*

Kieckhefer first introduced the legislation in March aiming to prohibit taxes or fees on [blockchains](#) and [smart contracts](#) used by the state or local governments, while at the same time recognizing the legality of blockchain signatures. The bill was quickly approved by both the House and Senate and signed into law by Governor Brian Sandoval on 5th June.

The goal, according to Kieckhefer, was to create a safe and predictable operating environment for blockchain businesses that puts Nevada in a similar category as Arizona, which recently [adopted](#) its own bill to recognize smart contract signatures.

Other states served as reference points, though not in a positive way. For example, Kieckhefer had choice words for New York's 'BitLicense', a [controversial](#) state-specific licensing regime that some argue is too arduous, expensive and restrictive.

"We've seen what New York did, and we certainly didn't want to go in that direction," he said.

## **Pre-emptive strike**

Because blockchain use was not being taxed or regulated in Nevada to begin with, though, why was such a bill necessary in the first place?

Kieckhefer emphasized that the ban creates long-term stability for blockchain operators and an impediment for future legislators and regulators who may see the technology as a piñata for new revenue.

With no personal income tax and no corporate income tax on receipts below a \$4m threshold, Nevada has what some [consider](#) a favorable business environment. But, the flip side is that state and municipal governments have to get extra creative in coming up with new fees and taxes to fill the coffers.

"[The bill] wasn't designed specifically to address a problem that currently exists, but designed to head one off at the pass to make sure we didn't end up in a situation where local governments, for example, were trying to regulate or tax the use of blockchain," he said, adding:

*"This is an effort to put to rest any suggestion that local governments might look at a new and emerging technology as a way to generate additional revenue."*

Allison Clift-Jennings, founder and CEO of blockchain startup Filament – a Reno-based IoT company, told CoinDesk that the bill is critical to her business because it clears up some of the confusion surrounding the enforcement of smart contracts.

The bill also opens the door for municipalities to explore the use of blockchains without fear of repercussion.

## **Leader of the pack**

As Nevada has gone through [leaps and bounds](#) to attract larger companies like Tesla to domicile in the state, it may not be a surprise that Kieckhefer said that his priority is creating a fertile ground for startups and "the next big company".

Providing a level playing field for blockchain businesses vis-à-vis other states and sectors is a core component of that strategy.

"I think that's all any entrepreneur really asks for, and I think this helps provide that," he said.

However, as with any legislative sausage-making process, there were several headaches along the way, including a dispute over the proper legal definition of a

blockchain, and figuring out how to draft smart contract language in a timeless manner.

Ashley Clift-Jennings, a lobbyist who helped steward the bill's passage and wife of Allison Clift-Jennings, said that the bill was left "fairly vague on purpose" so as to make it continuously applicable to blockchain technology advances.

While other states have passed laws recently pertaining to money transmission businesses and the acceptance of smart contracts, she said, Nevada's bill is the broadest and most sweeping in nature.

Ashley explained:

*"We are different in that we are really just focused on blockchain. We didn't talk about bitcoin or crypto. We believe that the underlying technology is actually going to be much larger than just cryptocurrencies."*

**Disclosure:** CoinDesk is a subsidiary of Digital Currency Group, which has an ownership stake in Filament.

[Senator Ben Kieckhefer](#) image via Kira Standifer/YouTube

---

*The leader in blockchain news, CoinDesk is an independent media outlet that strives for the highest journalistic standards and abides by a [strict set of editorial policies](#). Interested in offering your expertise or insights to our reporting? Contact us at [news@coindesk.com](mailto:news@coindesk.com).*