

November 4, 2022

**Electronically through:**

[www.regulations.gov](http://www.regulations.gov)

William M. Paul  
Office of Associate Chief Counsel  
Internal Revenue Service

**RE: Proposed Tax Solution for Transfer of Certain Credits  
Notice 2022-50**

Dear Mr. Paul,

This comment letter is submitted on behalf of Afloat, Inc. in response to the Request for Comments on Elective Payment of Applicable Credits and Transfer of Certain Credits (Notice 2022-50) with regard to the transfer of certain credits under Section 6418.

Afloat automates the transfer of tax credits. This technology allows more taxpayers to benefit from transferable tax credits, democratizing the market and widening involvement beyond the traditionally ultra-wealthy participant.

When a taxpayer claims a dependent already claimed on a different taxpayer's return in that filing season, tax software companies give that real-time feedback from the IRS database, and Afloat aims to broaden that correct and impartial model to include ownership of transferable tax credits through private and secure means.

For purposes of preventing duplication, fraud, improper payments, and excessive credit transfers under Section 6418, the IRS could implement a blockchain solution. A secure public ledger that maintains user privacy, blockchain keeps immediate record of transactions and necessary documentation without the need for manpower. In this case, a public permissioned blockchain would allow administrators, such as the IRS, to create rules for the marketplace and verify taxpayer identities.

Assuming the IRS does not currently have access to an appropriate blockchain solution, Afloat would appreciate the opportunity for the IRS to upload relevant tax credit data onto [www.stayafloat.io](http://www.stayafloat.io). Such data would include the credit identification number, awarded amount, any limitations on resale(s), the expiration date for transfers, the expiration date for the end owner, and any other documentation or information necessary for transactions. Logging in can be as easy as an IRS end user creating a username and password. Or, IRS participation can be as technical as the agency becoming a node on the blockchain. We are open to any level of involvement the IRS deems agreeable, and we would value the chance to provide any assurances the IRS would need to trust a decentralized blockchain for the purposes of preventing duplication, fraud, improper payments, and excessive credit transfers.

With capitalistic structure and community-oriented goals, the transferable tax credit marketplace allows taxpayers to support different causes through their taxes and communicate to their government how they want financial resources to be allocated. While tax credits are currently bought at a discount, Afloat envisions a market where buyers pay a premium for certain credits, which would, in turn, be a strong signal to Congress about real-time American values.

Afloat, Inc. appreciates the opportunity to respond to Notice 2022-50 and your consideration of our comment. If you have any questions, comments, or recommendations, please feel free to contact us at [admin@stayafloat.io](mailto:admin@stayafloat.io). We also welcome the opportunity for an exploratory meeting.

Respectfully submitted,

Afloat, Inc.