

Statement from Joshua Jarrett

“It’s hard not to feel grateful for being alive during the period of the most rapid technological expansion in human history. I was in high school in the 90s when the internet became broadly available, and since the day I got my first Commodore64, I became obsessed with computers and technology.

I recently left a long career in insurance and started one of the world's first smartgyms, where we use high-tech equipment to take a data-driven evidence-based exercise approach and help our clients get fit in minutes a week. It wasn't long before I realized there could be a unique opportunity to merge my insurance background with the gigabytes of exercise data we collect at the smartgym and leverage blockchain technology in the process. An overview of that is for another day, but it involves DAOs, reward tokens based on fitness progress, and life and health insurance that rewards people for healthy behaviors—a win-win-win for all parties involved.

In 2017, not long after the smartgym started, I learned about a new proof-of-stake blockchain protocol called Tezos. After doing more research and digging into what made it different, I decided this was the one I wanted to get involved in and one day use for my business ideas. One of the most decentralized protocols, it had institutional-grade smart contracts and was future-proof in that the protocol is governed by the community and can upgrade without the risk of hard forks—something that has plagued other blockchains and created significant disruption.

Just as important, Tezos was something I could figure out and participate in without needing a formal computer science background, expensive hardware, or much electricity. By staking, I create new blocks and tokens which contributes to keeping the Tezos blockchain decentralized and secure.

My tax returns for 2019 reflected the basic and common-sense principle that newly created property is not income—just like when a baker bakes a cake. When the IRS wouldn't confirm this—they didn't respond to my refund claim—I filed a federal lawsuit.

Fast forward to late December 2021 when I received a letter saying the government wanted to grant me a refund—in other words, a year and a half into this process, the government didn't want to defend the position that the tokens I created through staking were taxable income. At first glance, this seemed like great news. But until the case receives an official ruling from a court, there will be nothing to prevent the IRS from challenging me again on this issue. I need a better answer. So I refused the government's offer to pay me a refund.”