

Tax on Crypto Mining? MetaTdex Staking Is an Alternative Choice

DUBAI, DUBAI, UAE, March 10, 2023 /EINPresswire.com/ -- The administration of U.S. President Joe Biden has proposed an excise tax on crypto miners equal to 30 percent of the electricity cost they use, and plans to eliminate tax-deductible losses related to wash-trading of crypto tokens, according to a U.S. Department of the Treasury's document published on March 9.



The Treasury Department said any company using computing resources — owned or rent — to mine digital assets will be subject to the 30% tax, which is expected to be introduced over three years in 10% annual stages starting from Dec. 31, 2023. Crypto miners would be required to report on the "amount and type of electricity used as well as the value of that electricity". Affected by this policy, Bitcoin price fell below \$20,000 for a short time and is quoted at \$20,017 as of this writing (a 24-hour drop of 7.64%).

As the impact of crypto mining on energy consumption and carbon emissions has gradually received government attention and regulation, staking mining will become a mainstream mining form in the future.

What is staking mining? How is it different from Bitcoin mining?

First of all, the aim of mining is to gain yields. There are currently two forms of mining on the market — staking mining and traditional rig mining. The key difference between these two forms is the source of yields.

The mode of traditional Bitcoin mining is dubbed PoW (Proof of Work). Based on the principle of additional Bitcoin issuance, PoW mining decodes via the mining rig calculation to perform the on-chain encrypted accounting, which is similar to solving a series of difficult mathematical problems. If the accounting is successful, a certain percentage of Bitcoin yields can be obtained

as a miner's fee (Gas fee). This kind of accounting and Gas fee earning behavior is called mining. As for the mining rig, it is a CPU and physical machine exclusively used for the calculation of Bitcoin mining.

In a nutshell, PoW mining is a competition among hardware machines, computing power and electricity.

However, as the competition for computing power intensifies, the threshold for PoW mining is higher, leading to the decrease of Bitcoins that can be mined (the Bitcoin supply is limited), as well as the huge cost of electricity and resource depletion. The traditional PoW mining is no longer a favorable yield method.

Subsequently, the PoS (Proof of Stake) mode emerged, paying interests based on the holding quantity and time of coins. In the POS mode, there is a term named "coin age". If you hold 100 coins for a total of 30 days, then your coin age is 3,000. Your coin age is going to be zero when you find a PoS block. For every 365 coin age being emptied, there will be a 0.05 coin interest from the block (similar to a 5% annual yield). In this case, the interest is 0.41 coins ($3000 * 5\% / 365$). This is equivalent to the time value of coin holding.

Staking mining refers to gain yields by staking individual crypto assets. For example, if you pledge crypto A, other people can borrow your crypto A via pledging crypto B. In this transaction, other people need to pay corresponding fees and you will gain interest. Based on this loan principle of staking mining, many platforms have launched staking mining related financing projects. Users pledge individual assets to the platform and obtain liquidity compensation and returns (staking yields) through liquidity transfer.

MetaTdex Smart Pool, challenge the highest 7-day interest rate for staking

Currently, there are plenty of liquidity loan based staking mining products, including Huobi's option product dubbed Dual Investment. But Huobi and other centralized exchanges often face security issues and regulation risks such as position holding and insider trading.

It is worth noting that MetaTdex has recently launched a lossless staking mining product — MetaTdex Smart Pool, which offers an annual yield of up to 15% in the first phase. As a decentralized exchange, MetaTdex not only brings users high returns, but also guarantees the on-chain security of user assets. It is very suitable for beginners in the crypto market.

MetaTdex Smart Pool is a USDT-margined financing product focused on the single-token staking and lossless mining. In the MetaTdex smart pool, users are allowed to pledge USDT for different periods. After the pledge expires, users can redeem the principal and get corresponding yields. The yields are now settled in TT — MetaTdex 's native token (1 TT is equivalent to 1.38 USDT). The price of TT in the market continues to rise. In February 2023, both the price growth rate and holding yield of TT exceeded 70%.

Compared with common staking mining products on the market, the advantages of MetaTdex Smart Pool are as follows:

- Low Threshold:

In the MetaTdex Smart Pool, the minimum pledge amount for a single user is 10 USDTs, lower than the investment threshold of concurrent staking products on the market.

- Low Risk:

The principal is guaranteed and the yields arrive quickly. The products pledged by MetaTdex Smart Pool users will be unlocked immediately after the locking period expires, with daily yield calculation and rapid final settlement. The arrival time for principal and yield withdrawal is T+1 00:00 (UTC+4).

- High Return:

The estimated 180-day annual yield in the first-phase is as high as 15%. As the market price of TT continues to rise (In February 2023, both the price growth rate and holding yield of TT exceeded 70%), the actual total yields will surpass the estimation.

- 0 Transaction Fee:

Metatdex Smart Pool does not charge any transaction fee.

- Flexible Pledge Period:

MetaTdex Smart Pool provides users with flexible options for pledge period, including 7 days, 15 days, 60 days, 90 days and 180 days. Different pledge periods correspond to different annual yields. The longer the pledge period is, the higher the yields will be.

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