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Luna Classic Burn: Can the Program Really Pump LUNC Price to \$1.00?

LUNC price is recently driven by the community proposal of a 1.2% transaction tax burn.
Can the Luna Classic Burn really send LUNC to \$1.00?



There's been a lot of talk recently about what will happen to [Luna Classic](#) (LUNC), the native token of the original Terra network (Terra Classic).

More and more people who want to get rich quickly by driving a rally in crypto assets have been proposing a mass token burn for months, which could reduce the available supply of Luna Classic

and thus push up the [LUNC price](#).

Their proposal seems to have gained momentum as the price has been steadily climbing from \$0.0002387 to \$0.0002878 since the start of the month, resulting in a monthly gain of 21%. However, for those who have held LUNC for longer, these gains could be closer to 200%.

These gains are driven by a growing expectation that a proposal from community members to impose a 1.2% transaction tax on LUNC may pass and could lead to a reduction in token supply.

Luna Classic Burn: How Does the 1.2% Tax Burn Work?

The first official proposal concerning this transaction tax was presented in June this year. However, it did not explain how exactly this would work or the coding that will have to be incorporated into the network backbone to be properly implemented.

However, community member Edward Kim appears to have presented a more comprehensive proposal on Terra Classic's official forum four days ago that provides more details about how the tax would work.

According to Kim's post, the tax will be levied on all on-chain transactions, meaning that it would be nearly impossible to enforce it for transactions that occur within centralized exchanges, which typically use off-chain mechanisms to settle transactions.

The apparent seriousness of Kim's proposal has led many to believe that this could be a defining moment for Terra's LUNC token, which could climb to \$1 in value once the tax is implemented. This explains why the token has rallied so strongly in the past few weeks.

Can Luna Classic (LUNC) Price Reach \$1?

According to CoinMarketCap, the circulating supply of Luna Classic currently stands at 6.15 trillion tokens. As of today, LUNC's 24-hour trading volume is \$667.75 million – about 2.3 trillion tokens have been exchanged in that time.

Even if the entire 6.15 trillion tokens exchange hands in one day, that would only reduce the volume in circulation by about 700 billion tokens, to 6.07 trillion.

If Luna Classic were to climb to \$1 per token, that would result in a market capitalization of about \$6 trillion for a network that is no longer being used by developers to power decentralized apps (dApps) and that is also no longer supported by a serious developing team that can introduce upgrades and new features to grow the ecosystem.

Furthermore, CMC data shows that the majority of LUNC's transactions take place on centralized exchanges such as Binance and Gate.io. These exchanges may not accept or support the implementation of the 1.2% tax and may choose to take the token offline if the community ultimately approves the proposal.

In response, Binance recently notified its users that LUNC deposits and withdrawals through the Ethereum Network, Polygon Network and BNB Smart Chain will be halted indefinitely on Sept. 7. The decision was made due to the shutdown of Terra Classic's Shuttle bridge.

Users will still be able to use the Terra Classic network to make transactions with the token, but it may take longer for those to be validated as the network's processing speed has diminished significantly since the ecosystem collapsed.

In the last 24 hours, more than \$300 million worth of LUNC was exchanged through Binance, the most widely used CEX for trading cryptos. If Binance will no longer support LUNC transactions through these networks, trading volumes may drop as transaction fees may increase due to the Shuttle bridge shutdown.

More recently, Lucky Block, another popular crypto project, will also start a 1% monthly token burning on September 30.

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