January xx, 2025

The Honorable Scott Bessent

Secretary of the Treasury

U.S. Department of the Treasury

1500 Pennsylvania Avenue, NW

Washington, DC 20220

Dear Secretary Bessent:

The undersigned organizations, representing millions of Main Street businesses operating in every industry and community in America, applaud the Department for its swift action in pausing the Corporate Transparency Act’s (CTA) reporting requirements while a nationwide court order remains in place, and respectfully ask that you strengthen this action by administratively extending the CTA filing deadline until January 1, 2026.

The CTA was designed to help law enforcement prevent money laundering by requiring shell companies to report and regularly update information regarding their beneficial owners (BOI) to Treasury. The law’s definition of a shell company, however, is ridiculously broad. By FinCEN’s own estimates, it initially covers 32 million legal entities with 20 or fewer employees or $5 million or less in revenues – in other words, nearly every small business in the United States.

Despite its unprecedented scope, the CTA will be of little practical use to law enforcement, as criminals are unlikely to self-report their information to FinCEN. The brunt of its reporting burdens and excessive penalties will be shouldered by law-abiding Main Street businesses instead.

Lack of awareness of the CTA’s reporting requirements has not helped. Despite massive public awareness campaigns by the groups represented here, as of December 1, 2024 – just one month before a year-end deadline – FinCEN had received less than 30 percent of the required filings. Had the courts not intervened, tens of millions of business owners would have been out of compliance and at risk of felony prosecutions.

The myriad of legal challenges and court rulings has added to the confusion. A nationwide injunction issued against the CTA in December was subsequently overturned, reimplemented, and overturned again, all in a matter of weeks. An Alabama court ruling that found the CTA unconstitutional is still pending appeal in the Fifth Circuit, while at least ten other legal challenges are still waiting to be heard.

Still another nationwide order to pause mandatory filing– issued by the District Court for the Eastern District of Texas in the case of *Smith v Treasury* – remains in place. While we appreciate FinCEN’s decision to respect that order and pause the collection of BOI, the relief provided through that regulatory action is contingent upon the order remaining in place.

Small businesses find themselves in the position where they are currently under no obligation to file, but a single court ruling could force them to comply with this burdensome and costly statute in short order.

Given the volatile legal landscape and the vast number of businesses targeted by the CTA’s unprecedented reporting mandates, we urge the Administration to issue new guidance to delay filing until the end of the year and ensure the courts have time to make a final determination regarding the CTA’s constitutionality.

The undersigned organizations are grateful for your efforts and strongly support the actions outlined above.

Sincerely,