

January 4, 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 at least 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 Eleventh 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 at least 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,

Agricultural Retailers Association
AICC, The Independent Packaging Association
Air Conditioning Contractors of America
American Building Materials Alliance
American Council of Engineering Companies
American Farm Bureau Federation
American Hotel and Lodging Association
American Mold Builders Association
American Pipeline Contractors Association
American Staffing Association
American Supply Association
AmericanHort
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Ceramic Tile Distributors Association
Chicago Roofing Contractors Association
Coalition of Franchisee Associations
Community Associations Institute
Construction Industry Round Table
Construction Leadership Council
Design-Build Institute of America
Energy Marketers of America
Family Business Association of California
Family Business Coalition
Foodservice Equipment Distributors Association
Forest Resources Association
Forging Industry Association
Franchise Business Services
GAWDA
Glass Packaging Institute
Hardwood Federation
Health & Fitness Association
Heating, Air-conditioning, & Refrigeration Distributors International
ICSC
Independent Bakers Association
Independent Electrical Contractors
Independent Lubricant Manufacturers Association
Industrial Fasteners Institute
International Association of Movers
International Foodservice Distributors Association

International Franchise Association
International Fresh Produce Association
International Housewares Association
Irrigation Association
Kansas Livestock Association
Leading Builders of America
Main Street Employers Coalition
Manufactured Housing Institute
Marine Retailers Association of the Americas
Material Handling Equipment Distributors Association
Metals Service Center Institute
Michigan Farm Bureau
Nareit
National Apartment Association
National Association of Convenience Stores
National Association of Electrical Distributors (NAED)
National Association of Home Builders
National Association of Insurance and Financial Advisors
National Association of Professional Insurance Agents (PIA)
National Association of Sporting Goods Wholesalers
National Association of Wholesaler-Distributors
National Beer Wholesalers Association
National Cattlemen's Beef Association
National Cotton Council
National Council of Agricultural Employers
National Council of Farmer Cooperatives
National Electrical Contractors Association
National Electrical Contractors Association (NECA)
National Energy & Fuels Institute (NEFI)
National Fastener Distributors Association
National Franchisee Association
National Grange
National Grocers Association
National Insulation Association
National Lumber & Building Material Dealers Association
National Multifamily Housing Council
National Onion Association
National Peach Council
National Ready Mixed Concrete Association
National Restaurant Association
National Roofing Contractors Association
National RV Dealers Assoc. (RVDA)
National Stone, Sand & Gravel Association
National Tooling and Machining Association
National Utility Contractors Association
National Wooden Pallet & Container Association
North American Association of Food Equipment Manufacturers (NAFEM)
North American Die Casting Association

North American Equipment Dealers Association
Oregon Cattlemen's Association
Pennsylvania Farm Bureau
Plumbing-Heating-Cooling Contractors - National Association
Power & Communication Contractors Association
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Refrigerated Foods Association
S Corporation Association
Service Station Dealers of America and Allied Trades
Small Business & Entrepreneurship Council
Society of Collision Repair Specialists (SCRS)
South Dakota Trust Association
Spray Polyurethane Foam Alliance
Tag and Label Manufacturers Institute
Textile Care Allied Trades Association
The Fertilizer Institute
The Private Investor Coalition
The Real Estate Roundtable
Tile Roofing Industry Alliance
Tire Industry Association
US Sweet Potato Council
USA Rice
WASDA - Water and Sewer Distributors of America
Wine Institute
WineAmerica
Wisconsin Grocers Association
Wyoming Farm Bureau Federation
Wyoming Stock Growers Association