

December 18, 2024

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Senate Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mitch McConnell
Senate Republican Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Johnson, Minority Leader Jeffries, Majority Leader Schumer, and Minority Leader McConnell:

The undersigned organizations, representing millions of small businesses, write in strong support of language included in the Further Continuing Appropriations and Disaster Relief Supplemental Appropriations Act of 2025 which would delay the Corporate Transparency Act's (CTA) year-end compliance deadline for existing entities. This provision would provide much-needed relief to the Main Street business community, enable federal regulators to continue their education and outreach efforts, and allow various legal challenges to make their way through the courts.

The CTA mandates that companies disclose and regularly update detailed beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN). It subjects covered entities and their "beneficial owners" to vague and complex reporting requirements while putting their sensitive personal information at risk. Failure to comply can result in fines of over \$590 per day, as well as felony charges and up to two years imprisonment.

FinCEN estimates that more than 32 million such entities will be affected by the new law just this year, with an additional 6 million each subsequent year as new businesses are formed. Yet as of December 1, 2024 – just one month before a year-end deadline – FinCEN has [received](#) less than 30 percent of the required filings, highlighting the stark education gap when it comes to the compliance obligations mandated by the CTA.

Adding to the confusion are the myriad legal challenges that have been filed throughout the country, and which stand at various stages of the legal process. Notably, a [nationwide injunction](#) against the CTA was recently appealed and will be heard by the Fifth Circuit, while an Alabama court [ruling](#) that found the CTA unconstitutional is pending appeal in the Eleventh Circuit. Small businesses therefore find themselves in a precarious position: they are currently under no obligation to file, but a single ruling could reverse that dynamic, leaving them with just days to comply with this burdensome and costly statute.

The one-year delay included in the Continuing Resolution bill addresses these challenges, and we strongly encourage lawmakers to pass it.

Sincerely,

AICC, The Independent Packaging Association
American Council of Engineering Companies
American Dental Association
American Farm Bureau Federation
American Financial Services Association
American Foundry Society
American Hotel & Lodging Association
American Lighting Association
American Mold Builders Association
American Pipeline Contractors Association
American Supply Association
American Veterinary Medical Association
AmericanHort
America's SBDC
Associated Builders and Contractors
Associated Equipment Distributors
Associated General Contractors of America
Coalition of Franchise Associations
Community Associations Institute (CAI)
Construction Industry Round Table
Design-Build Institute of America
Education Market Association
Energy Marketers of America
Family Business Coalition
Foodservice Equipment Distributors Association
Forest Resources Association
Forging Industry Association
Franchise Business Services
GAWDA
Global Cold Chain Alliance
Heating, Air-conditioning and Refrigeration Distributors International (HARDI)
ICSC
Independent Electrical Contractors
Industrial Fasteners Institute
International Association of Movers
International Foodservice Distributors Association
International Franchise Association
International Housewares Association
International Sign Association
Leading Builders of America
Main Street Employers Coalition
Manufactured Housing Institute
Marine Retailers Association of the Americas
Metals Service Center Institute
MHEDA
Nareit
National Apartment Association
National Association of Convenience Stores

National Association of Electrical Distributors
National Association of Insurance and Financial Advisors
National Association of Wholesaler-Distributors
National Automatic Merchandising Association (NAMA)
National Beer Wholesalers Association
National Community Pharmacists Association (NCPA)
National Council of Farmer Cooperatives
National Electrical Contractors Association
National Electrical Manufacturers Representatives Association (NEMRA)
National Federation of Independent Business
National Franchisee Association
National Funeral Directors Association
National Grocers Association
National Lumber and Building Material Dealers Association
National Marine Distributors Association
National Multifamily Housing Council
National Roofing Contractors Association
National RV Dealers Association (RVDA)
National Small Business 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
Outdoor Power Equipment and Engine Service Association
Performance Racing Industry (PRI)
Plumbing-Heating Cooling Contractors - National Association
Power & Communication Contractors Association
Precision Machined Products Association
Precision Metalforming Association
PRINTING United Alliance
Private Investor Coalition
Reserve Organization of America
S Corporation Association
Service Station Dealers of America and Allied Trades
Small Business Legislative Council (SBLC)
Society of Collision Repair Specialists (SCRS)
South Dakota Trust Association
Southeastern Lumber Manufacturers Association
Specialty Equipment Market Association (SEMA)
Subchapter S Bank Association
Textile Care Allied Trades Association
The Association for Hose and Accessories Distribution
The Real Estate Roundtable
The Wholesale Florist and Florist Supplier Association
Tile Roofing Industry Alliance

Tire Industry Association
U.S. Chamber of Commerce
Virginia Cattlemen's Association
Virginia Farm Bureau
WASDA - Water and Sewer Distributors of America
Water and Sewer Distributors of America
Wholesale Beer Distributors of Texas
Wholesale Florist & Floral Supplier Association
Wine Institute
Wyoming Farm Bureau Federation
Wyoming Stock Growers Association