

# CORPORATE TRANSPARENCY ACT


The Corporate Transparency Act (CTA) took effect January 1, 2024. It requires covered entities - those with fewer than 20 employees OR less than \$5 million in revenue - to disclose and regularly update the personal information of their owners, senior employees, and other decision makers to the Financial Crimes Enforcement Network (FinCEN)

Support for the  
**Protect Small  
Business & Prevent  
Illicit Financial  
Activity Act**

**S. 3625  
(Sen. Tim Scott)**

**H.R. 5119  
(Reps. Zack Nunn &  
Joyce Beatty)**

- Delays the CTA filing deadline by one year
- Passed the House 420-1
- Backed by 125+ national trade associations



The CTA will affect an estimated **32.6 million** entities in 2024, including **virtually every small business** in America.

Failure to comply can result in **fines up to \$10,000 and 2 years in prison.**

The CTA is designed to help crack down on illegal activity, but its reliance on self-reporting renders it **ineffective.**

Instead, it unfairly **targets law-abiding Americans**, saddles them with unnecessary compliance costs, and **puts their sensitive information at risk**, all while letting larger firms off the hook.



On March 1, 2024, a federal court ruled that the CTA is **unconstitutional**, yet federal regulators continue to enforce the new law.

H.R. 5119 / S. 3625 would delay the filing deadline by one year, allowing the ongoing court process to play out while providing FinCEN more time to educate businesses.