



KORBITZ FINANCIAL PLANNING

Your goals. Your plan. Your terms.

Corporate Transparency Act (CTA) Beneficial Ownership Information (BOI) Reporting

First, if you do not own or control an entity that is registered with a Secretary of State's (or equivalent) office, such as a Limited Liability Company (LLC), partnership or limited partnership, corporation or S corporation, you do not need to read any further. A Trust generally would NOT have filed with the Secretary of State, so those entities are generally excluded from this list.

If you do own or control one of these entities then I urge you to continue reading. What I have to say below is for informational purposes only and should not be considered legal advice.

You may ask, why are you sending this to me when I don't have an LLC, partnership or corporation? The answer is that I simply do not know who has an LLC, or other entity under their control, and who does not.

The Corporate Transparency Act (CTA) was passed by Congress and enacted into law in 2021. Part of the CTA was a provision requiring that certain entities (listed in the first paragraph) file a Beneficial Ownership Information (BOI) report, in most cases by December 31, 2024.

I mentioned the BOI rule in my spring 2024 letter to clients for whom I prepare tax returns who I believed were subject to this rule.

I was preparing to send a reminder out about this rule in early December and then on December 3rd a Federal District Court in Texas ruled the CTA and BOI unconstitutional and issued an injunction prohibiting enforcement of the rule. Thus, I did not send out that reminder.

On Monday, December 23, 2024, a panel of the Fifth Circuit court overturned the injunction, paving the way for enforcement of the BOI rules. The deadline was extended by the Treasury Department from December 31, 2024, to January 13, 2025, for entities in existence prior to January 1, 2024.

Then on December 27, 2024, the Fifth Circuit Court of Appeals REINSTATED the previously issued injunction on enforcement of the BOI rule. Thus, if you have not yet filed a BOI report, you do not have to, as of this writing. This was confirmed by the Treasury Department in guidance posted on December 27th on the Financial Crimes Enforcement Network (FINCEN) Beneficial Ownership (BOI) webpage.

P.O. Box 170049 | Milwaukee, WI 53217 | Phone: 414-979-1040

KorbitzFinancialPlanning.com

Since oral arguments in the United States Court of Appeals for the Fifth Circuit are scheduled for March 25, 2025, it is not expected that there will be any change in the status of the BOI reporting rule until at least that date.

All that being said, if you have an LLC, partnership, corporation or similar entity, you should check to see if you have filed a BOI report for that entity. You may wish to file a BOI report in order to avoid a fire drill in the event that the BOI rule is reinstated.

You can find further information at the following address: fincen.gov/boi

Since this reporting borders on the practice of law due to the filing of a legal document, and since Korbitz Financial Planning LLC is not a law firm, we have determined that we will not prepare filings for BOI.

That said, we prepared our own BOI filing and it took approximately 30 minutes to learn about the filing, prepare it, and file it. This can be done on your own. If you are not comfortable with this, then you should seek the counsel of an attorney versed in corporate law filings.

To summarize, the enforcement of the BOI rule has been suspended for now, but that does not mean that it might not be enforceable in the future.

Please let me know if you have any questions.

Eric

Eric S. Korbitz CPA/PFS, CFP®