

# Court of Appeals Reverses Block on Beneficial Ownership Information Reporting Rules

## Cross References

- *Texas Top Cop Shop, Inc. v. Merrick Garland, Attorney General of the United States*, U.S. Court of Appeals for the 5th Circuit, December 23, 2024

The U.S. Court of Appeals for the 5th Circuit has reversed the preliminary nationwide injunction on the beneficial ownership information (BOI) reporting rules under the Corporate Transparency Act (CTA). On December 3, 2024, a federal judge for the Eastern District of Texas issued a preliminary nationwide injunction on the BOI reporting rules and said that the 32.6 million existing small businesses need not comply with the CTA's January 1, 2025 deadline for reporting their BOI to FinCEN. The government filed an emergency motion with the 5th Circuit Appeals Court seeking a stay on that injunction. The 5th Circuit Appeals Court granted the governments motion for a temporary stay pending their appeal.

According to the FinCEN website, reporting companies, except as indicated below, are once again required to file beneficial ownership information with FinCEN. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect, FinCEN has extended the reporting deadline as follows:

- Reporting companies that were created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN. (These companies would otherwise have been required to report by January 1, 2025.)
- Reporting companies created or registered in the United States on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies created or registered in the United States on or after December 3, 2024 and on or before December 23, 2024 have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN.
- Reporting companies that qualify for disaster relief may have extended deadlines that fall beyond January 13, 2025. These companies should abide by whichever deadline falls later.
- Reporting companies that are created or registered in the United States on or after January 1, 2025 have 30 days to file their initial beneficial ownership information reports with FinCEN after receiving actual or public notice that their creation or registration is effective.

- As indicated in the alert titled “Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)”, Plaintiffs in National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)—namely, Isaac Winkles, reporting companies for which Isaac Winkles is the beneficial owner or applicant, the National Small Business Association, and members of the National Small Business Association (as of March 1, 2024)—are not currently required to report their beneficial ownership information to FinCEN at this time.

TheTaxBook coverage of the BOI reporting rules can be found on page 1-17 of the 1040/Deluxe Edition and page 26-1 of the Deluxe/Small Business Edition.