

2024 Corporate Transparency Act – Beneficial Ownership Information Reporting

A new reporting rule went into effect on January 1, 2024, requiring the filing of a special form directly online with the Financial Crimes Enforcement Network (FinCen). Single member LLC's (even if filing Schedule C or E), multi-member LLC's, S corporations and C Corporations that are not exempt must disclose beneficial ownership information to FinCen.

Beneficial Ownership Information reporting is not an annual requirement, nor is it a tax return. A report only needs to be submitted once, unless the information needs to be updated or corrected.

What is the reason: This reporting requirement is to prevent illegal financial activities. This rule came from a law made in 2021, called the Corporate Transparency Act, to make companies more open about their ownership.

What is the deadline for reporting:

- **Existing reporting companies in business before 1/1/2024:** must file by 1/1/2025.
- **Newly created or registered reporting companies:** must file 90 calendar days to file after receiving actual or public notice that their company's creation or registration is effective.

What needs to be reported:

- name, date of birth, address; and
- the identifying number and issuer from either a non-expired US driver's license, a non-expired US passport, or a non-expired ID document issued by a State (includes US territory or possession), local government, or Indian tribe. If none of those documents exist, a non-expired foreign passport can be used. An image of the document must also be submitted.
- In addition, reporting companies created on or after January 1, 2024, are required to submit information about the individuals who formed the company ("company applicants").

Where can you find more information: The [FinCEN website](#) has a guide and other helpful resources like videos and a FAQ section to make it easier for small businesses to understand the requirements and how to file.

The Beneficial Ownership Information Report is not a tax return, but instead is similar to the initial business registration with your Secretary of State. We are available to answer questions and guide you on how to do the filing on the FINCEN website.

Please feel free to reach out with any questions.

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