



December 19, 2024

The Honorable Mike Johnson
Speaker
United States House of Representatives
H-232, The Capitol
Washington, D.C.

The Honorable Charles Schumer
Majority Leader
United States Senate
S-221, The Capitol
Washington, D.C.

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
H-204, The Capitol
Washington, D.C.

The Honorable Mitch McConnell
Republican Leader
United States Senate
S-230, The Capitol
Washington, D.C.

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

As the nation's oldest small business advocacy organization, representing our membership of more than 65,000 and the 70+ million owners and employees that make up the U.S. small business sector,¹ we are writing to encourage Congress to expediently pass a Continuing Resolution (CR) bill prior to the possibility of a government shutdown, and to ensure that any such measure includes a delay of beneficial ownership information (BOI) reporting deadlines.

As the longest-standing small business advocates in the nation, we have learned time and again that small businesses bear the burden of government funding disputes first—and more acutely than any other businesses. Government shutdowns spread broad uncertainty and prevent businesses that contract with the government from receiving vital compensation they have been promised. The federal government insists that small companies demonstrate their reliability as partners, and we should be able to expect the same from the government. In addition, many small businesses are dependent upon financial products and services provided through the Small Business Administration (SBA); shutdowns prevent companies from making use of these key resources.

A shutdown during the holiday season is particularly harmful, given that not only are millions of Americans likely to be left without clarity on their next paycheck, but also a significant portion of annual small business sales occur during this period. To reiterate, failure to reach agreement and pass a CR has direct and disproportionate adverse impacts on the small business owners and employees that compose the backbone of the U.S. economy.

Beyond preventing small businesses from carrying out their normal operations, failure to pass this legislation with the BOI reporting delay creates further uncertainty and concern over compliance with Corporate Transparency Act (CTA) reporting requirements. NSBA has fought in court to prevent these unconstitutional mandates from impacting small businesses across the

¹ Founded in 1937, NSBA is the nation's oldest small-business advocacy organization. We operate on a bipartisan basis to represent the interests of all American small businesses. We have 65,000+ members in every state and every industry across the country, including our numerous state affiliates. More information about NSBA and our priorities can be found on our website at: www.nsbaadvocate.org.

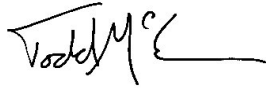
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country, and while courts have recently agreed with our assessment that the law is unconstitutional and enjoined its implementation, these judicial stays remain temporary, and there is nonetheless still widespread confusion and frustration over who must file the BOI report, as well as a total lack of clarity around submission deadlines. As a brief reminder, noncompliance comes with stiff penalties: small business owners who are found noncompliant face fines as high as \$10,000 and as much as two years in prison. The CR represents a critical final opportunity to address these concerns before the impending January 1st deadline, and provide necessary clarity to the thousands of companies that stand to be financially harmed by an unconstitutional policy.

It is imperative that Congress move to immediately pass a spending measure and avoid a full-scale shutdown while protecting small companies on Main Streets across America. As an ally and resource that possesses nearly one hundred years of experience in dealing with small business issues, NSBA stands ready to assist lawmakers wherever we can. Please do not hesitate to reach out to us with any questions as conversations on a path forward continue to develop.

Thank you,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large, sweeping "M" and "C".

Todd McCracken
President & CEO
National Small Business Association