

January 24, 2025

The Honorable Donald J. Trump  
President of the United States  
The White House  
1600 Pennsylvania Ave., NW  
Washington, D.C. 20500

The Honorable JD Vance  
Vice President of the United States  
The White House  
1600 Pennsylvania Ave., NW  
Washington, D.C. 20500

Dear President Trump and Vice President Vance:

Firstly, please accept our congratulations on your recent inauguration. We look forward to working with your Administration in support of American entrepreneurs. Our small businesses—which employ nearly half of all Americans and drive 43.5 percent of U.S. Gross Domestic Product<sup>1</sup>—are the economic engines that support Main Streets in every community across the United States. While small businesses have a big footprint, we are also uniquely vulnerable to the harmful impacts of federal overreach and overregulation. That is why the undersigned organizations, representing the 70+ million owners and employees that make up the U.S. Small Business sector, write today to urge prompt action on an issue of grave importance to every small business across the nation: the implementation of the Corporate Transparency Act (CTA).

Enacted as part of the National Defense Authorization Act of 2021, the CTA is a dangerous, onerous mandate which applies exclusively to small companies, and has been deemed unconstitutional by at least two federal courts.<sup>2</sup> It requires that any entity formed or doing business in the United States that employs 20 or fewer individuals in the U.S. or reports less than \$5,000,000 in gross receipts report beneficial ownership information (BOI) to the Financial Crimes Enforcement Network (FinCEN) division of the U.S. Department of the Treasury.

By placing them in a law enforcement database, the CTA effectively treats law-abiding entrepreneurs and small business owners like criminals, keeping a register which FinCEN has indicated it intends to actively share with not just domestic law enforcement, but also foreign governments, law enforcement, prosecutors, and judges. Moreover, as recently demonstrated by revelations of data breaches at Treasury,<sup>3</sup> we are further concerned that such a database risks the potential exposure of sensitive, personally-identifying information to a variety of malicious actors. On top of all of this, penalties small business owners face for noncompliance are stiff: civil fines of as much as \$500 per day, and criminal penalties up to \$10,000 in fines and two years in prison.

Foreseeing the damage the CTA has caused, during his time in the Senate, Vice President Vance was an original cosponsor of legislation to repeal the CTA.<sup>4</sup> Additionally, Secretary-

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<sup>1</sup> U.S. Small Business Administration, Office of Advocacy, “Frequently Asked Questions About Small Business, July 2024” [https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business\\_2024-508.pdf](https://advocacy.sba.gov/wp-content/uploads/2024/12/Frequently-Asked-Questions-About-Small-Business_2024-508.pdf).

<sup>2</sup> *NSBU v. Yellen*; *Texas Top Cop Shop v. Garland*.

<sup>3</sup> 12-30-24 Letter from Treasury to Senate Committee on Banking, Housing and Urban Affairs. <https://s3.documentcloud.org/documents/25472740/letter-to-chairman-brown-and-ranking-member-scott.pdf>.

<sup>4</sup> <https://www.congress.gov/bill/118th-congress/senate-bill/4297/cosponsors>.

designate Linda McMahon—who served as Small Business Administration (SBA) Administrator in your first Administration—has specifically cited the CTA as an example of government overreach.<sup>5</sup> They are far from alone, and bills to delay or repeal the CTA emerged in both the House of Representatives and the Senate in the 118<sup>th</sup> Congress – including legislation which garnered a nearly unanimous 420-1 vote in the House.<sup>6</sup> Notably, one of these delay efforts was just reintroduced by a bipartisan group in the House of Representatives on January 24<sup>th</sup>, less than a month into the 119<sup>th</sup> Congress. The broad coalition of supporters across the political spectrum and the sheer number of bills introduced illustrate broad acknowledgement of the statute’s considerable flaws.

Unfortunately, while the two cases in which the CTA was found unconstitutional both resulted in injunctions, the nationwide injunction issued in *Texas Top Cop Shop v. Garland* was stayed by the Supreme Court on January 23, 2025, pending the results of the government’s appeal. This means that without swift action to indefinitely delay implementation of the CTA, millions of American entrepreneurs may soon find themselves noncompliant and subject to hefty penalties, even as several lawsuits remain pending. This adds to the mountain of confusion covered entities already face, as various deadlines and filings obligations have shifted in just the past few weeks.

Your Administration has a unique opportunity to provide much-needed relief to millions of American businesses from this burdensome, complex, and unconstitutional statute. We urge you to take swift action to delay the implementation and enforcement of the CTA indefinitely, or at least until the legal cases challenging its validity have been fully resolved. We appreciate your attention to this vital, timely matter.

Sincerely,

American Financial Services Association  
American Hotel and Lodging Association  
American Mold Builders Association  
American Pipeline Contractors Association  
American Supply Association  
AmericanHort  
Coalition for Sustainable Roofing  
Coalition of Franchisee Associations  
Community Associations Institute  
Construction Industry Round Table  
Design-Build Institute of America  
Energy Marketers of America (EMA)  
EPDM Roofing Association  
Forging Industry Association  
Franchise Business Services  
Global Cold Chain Alliance  
Independent Electrical Contractors

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<sup>5</sup> [https://x.com/Linda\\_McMahon/status/1851219819078557754](https://x.com/Linda_McMahon/status/1851219819078557754).

<sup>6</sup> <https://www.congress.gov/bill/118th-congress/house-bill/5119>.

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Industrial Fasteners Institute  
International Housewares Association  
International Sign Association  
Leading Builders of America  
Manufactured Housing Institute (MHI)  
Marine Retailers Association of the Americas  
Metals Service Center Institute  
National Community Pharmacists Association (NCPA)  
National Council of Farmer Cooperatives  
National Franchise Association  
National Funeral Directors Association  
National Lumber & Building Material Dealers Association  
National Roofing Contractors Association  
National RV Dealers Association (RVDA)  
National Small Business Association (NSBA)  
National Tooling and Machining Association  
National Utility Contractors Association  
North American Association of Food Equipment Manufacturers (NAFEM)  
North American Die Casting Association  
North American Equipment Dealers Association  
Oregon Cattlemen's Association  
Performance Racing Industry (PRI)  
Plumbing-Heating-Cooling Contractors - National Association  
Power & Communication Contractors Association  
Precision Machined Products Association  
Precision Metalforming Association  
PRINTING United Alliance  
S Corporation Association  
Service Station Dealers of America and Allied Trades  
South Dakota Trust Association  
Southeastern Lumber Manufacturers Association (SLMA)  
Southeastern Michigan Roofing Contractors Association (SMRCA)  
Southwest Florida Roofing Contractors Association  
Specialty Equipment Market Association (SEMA)  
Textile Care Allied Trades Association (TCATA)  
The Real Estate Roundtable  
Tile Roofing Industry Alliance  
Tire Industry Association  
U.S. Chamber of Commerce  
Water and Sewer Distributors of America (WASDA)  
Wine Institute  
Wyoming Farm Bureau Federation  
Wyoming Stock Growers Association