


# BENEFICIAL OWNERSHIP INFORMATION REPORTING VIA FINCEN

\*Updated 1/9/25\* There is a new requirement for each corporation, limited liability company (LLC), partnership, as well as trusts and estates that have ownership in corporations, LLCs, and partnerships to complete Beneficial Ownership Information Reporting (BOIR, or BOI).

Penalties for failing to file timely are \$591 per day in civil penalty and/or up to \$10,000 and two year imprisonment in criminal penalty. There is no telling whether either or both of these penalties will be pursued.

BOI reporting was passed as part of the Corporate Transparency Act in 2021, creating new requirements for owners to provide information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the US Department of Treasury. The original deadline for entities in existence prior to 1/1/24 was 1/1/25. All entities created in 2024 were given just 90 days and those formed after 1/1/25 have only a 30 day window to comply.

Court cases have further complicated the issue. An injunction was granted in federal court on 12/3/24 which paused the requirement to complete the BOI reporting. On 12/24/24 a panel of Fifth Circuit Court judges overturned the injunction. FinCEN extended the deadline to file to 1/13/25 to provide additional time due to the initial injunction. A second panel of Fifth Circuit Court judges reinstated the injunction on 12/26/24. The Department of Justice has filed an emergency application with the Supreme Court asking them to remove the injunction. The Supreme Court set a deadline of January 10<sup>th</sup> at 4 pm for the plaintiffs to respond. We have no way of knowing what will or won't happen with this in the future and are not making predictions.

If you haven't heard of all of this, you are not alone. There have been meager attempts to communicate through various financial magazines, trade association articles, etc. but many of our small business clients have told us they have not heard of this. You can visit <https://fincen.gov/boi> if you would like to read more on your own or keep up to date. The first item labeled “ **Alert: Ongoing Litigation**” details the litigation history in greater detail.

Some clients with corporations, partnerships, LLCs, and trust/estates holding them have decided to voluntarily comply with the law in order to avoid the headache of having to keep up with the issue and watch for litigation updates. Others have chosen to wait and see if it will be thrown out. The choice is your own.

If you choose to complete the report yourself (now or if the injunction is overturned) you can do so online at <https://boiefiling.fincen.gov>. Doing so will save you some money.

If you prefer, I am happy to complete it for you. Due to this time of year being our busy season, I will be filing these asap to avoid having them overlap with tax season in order to avoid missing any deadlines. In any case, please do not fall for phone & online scams including emails forwarded to us where groups are charging small business owners \$500 or more for BOI reporting assistance.

Each entity must report the following:

1. Legal name of entity,

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2. Any fictitious names used (doing business as, DBA, trade name, etc.),
3. Current street address of the principal place of business,
4. Jurisdiction of formation or registration (the state the entity was formed in),
5. Taxpayer Identification Number (EIN if the entity has one, or SSN of owner if not),
6. Beneficial Owner Information must be provided for anyone that exercises “substantial control” over the entity or owns 25% or more of the equity interests of the entity. BOI to be reported includes:
  - a. Full legal name for each beneficial owner,
  - b. Date of birth
  - c. Residential address
  - d. Identifying number from an acceptable identification document such as a passport or US driver's license.
  - e. Name of the issuing jurisdiction for the identification number used
  - f. Image of the identification document.

Here is an example of the information for our business:

- O’Neil & Steiner, PLLC
- None (but many LLCs have a different business name like “Judd’s Toy Shop” that are operated in an entity named something different, like “Steiner, LLC”)
- 318 E Cottonwood Lane, Ste A Casa Grande, AZ 85122
- Arizona
- \*\*\* Our EIN
- Rick and I would each share our personal information:
  - Judd Steiner,
  - date of birth (let’s just stick with “young” for this exercise)
  - residential address,
  - driver’s license number,
  - Arizona as the issuing jurisdiction, and
  - upload an image of our driver’s license.

If you would like O’Neil & Steiner to file your BOIR, we will need to scan driver’s licenses for each beneficial owner (or have you email us images of them). If the entities were not set up in Arizona, please also provide the jurisdiction of formation or registration (the state the entity was formed).

If you have additional entities, other than the entities we prepare taxes for, please provide a list of these additional entities.

If you have any questions, please do not hesitate to let me know.