

Tax Partners Northwest, LLC

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New in 2024, the Corporate Transparency Act If you have an LLC for any reason, this applies to you!

The Corporate Transparency Act, enacted in 2021, was passed to enhance transparency in entity structures and ownership to combat money laundering, tax fraud and other illicit activities. It is designed to capture more information about the ownership of specific entities operating in or accessing the U.S. market.

This new small business reporting requirement has potential penalties of up to \$500 per day and a potential felony with two years of prison time if it isn't filed on time.

If your business is an **established** LLC, corporation or any other entity filing with the Secretary of State, and was in existence prior to 12/31/23, you must complete the form by **12/31/2024**. **New** companies formed **after 1/1/2024 must file within 30 days** of formation. **Any changes** in ownership, name or address will need to be **updated within 30 days**.

Electronic Filing of this form will be on the Treasury Department's Financial Crimes Enforcement Network. ([fincen.gov](https://www.fincen.gov))

Company information that will need to be provided:

Full legal name according to the Secretary of State (download a "good standing" report,
Any trade or DBA (doing business as) name/s,
A complete current street address (a third-party agent address or PO Box do NOT comply with the requirement),
The state, tribal or foreign jurisdiction of formation,
The IRS taxpayer identification number.
Any change to these items will need a report filed within 30 days.

Owners and applicants:

For each owner of at least 25% of the entity (directly or indirectly) the reporting must include the following for **each** owner:

Legal name and date of birth,
Address,
Document image of one of the following:
Non-expired passport issued by the US government,
Non-expired passport issued by a foreign government (if no US ID)
Non-expired identification document issued by a state, local government or Indian tribe,
Non- expired driver's license issued by a state.
No extensions are currently available for this filing.

After the initial report is filed, there is currently no further filing requirement unless there is a change to the information reported.

It is strongly recommended that this filing is completed by someone in your organization instead of through a third party. There is confidential information that needs to be provided that third party solicitors may use to steal your identity.

If you have a corporation or LLC registered with the state that you are not participating in or is inactive and you do not plan to participate in it again, dissolve it before the end of the year.

For more information, you can refer to the [fincen.gov/boi](https://www.fincen.gov/boi) website.