



National Cattlemen's
Beef Association

State Communicator's Toolkit

Corporate Transparency Act

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General Information for State Staff

Background

In 2021, Congress passed the Corporate Transparency Act with the goal of exposing financial crimes by requiring the reporting of who owns or controls companies. In theory, the law would help the government uncover illegal activity by knowing the identity behind otherwise generically named companies.

Under the Corporate Transparency Act, companies with 20 or fewer employees are required to report information about their “beneficial owners,” or the individual(s) who own at least 25% of the entity’s ownership interest, exercise substantial control over the entity, or receive a substantial economic benefit from the assets of the reporting entity. In basic terms, you are a beneficial owner if you own at least 25% of a company, control or make major decisions for a company, or receive substantial earnings from a company.

Reporting Companies

Many farmers and ranchers may be impacted by this law. If your farm or ranch is a LLC, corporation, or other legal entity that files with your secretary of state, you are required to report beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN), a bureau of the U.S. Department of the Treasury. Foreign companies registered to do business in any U.S. state are also required to report this information.

Covered Information

Farmers and ranchers whose operation is a LLC, corporation, or other legal entity that files with the secretary of state are required to report the following information for each beneficial owner with FinCEN:

1. Legal Name
2. Date of Birth
3. Residential or Business Address
4. Unique Identifying Number (i.e. Driver’s License Number, Passport Number)

Deadlines

Any LLC, corporation, or similar legal entity that was registered to do business **before** January 1, 2024, will have until January 1, 2025, to file an initial report with FinCEN.

Any LLC, corporation, or similar legal entity that was registered to do business on or after January 1, 2024, and before January 1, 2025, will have 90 days after the company’s creation or registration to file an initial report with FinCEN. The reporting timeline will be shortened to 30

days for companies formed in 2025, and further updates to existing reports must be filed within 30 days.

Penalties

Failure to file the required information with FinCEN can result in a \$500 per day fine for non-compliance, fines of up to \$10,000, and a possible two-year prison sentence for willful non-compliance with the law.

How to File

Beneficial ownership reports can be filed with FinCEN online at www.boiefiling.fincen.gov. For more information about this requirement, visit www.fincen.gov/boi.

Privacy Information

Information reported to FinCEN may be shared with certain federal, state, or local officials who submit a request through a U.S. federal agency and are seeking the information for national security, intelligence, or law enforcement purposes. Financial institutions may also have access to beneficial ownership information in certain circumstances, with the consent of the reporting company. All information will be stored in a secure, non-public database.

Additional Resources

- [FinCEN: Small Entity Compliance Guide](#)
- [FinCEN: Frequently Asked Questions](#)

Disclaimer

We strongly encourage you to clarify that any information on the Corporate Transparency Act is not legal or tax advice and producers should consult with their own attorneys or tax advisors.

Sample Disclaimer: *This is not professional advice. Consult with a tax professional or attorney for advice as to whether the Corporate Transparency Act applies to you.*

Sample Digital Newsletter Update

Please feel free to use and/or modify the below content for your newsletter to members.

Farms and Ranches Required to File Ownership Information with U.S. Treasury

Many farms and ranches will be required to file “beneficial ownership” information with the Financial Crimes Enforcement Network (FinCEN), a division of the U.S. Department of the Treasury. In 2021, Congress passed a law called the Corporate Transparency Act that requires businesses to report the identity of their owners with the goal of reducing financial crime. Unfortunately, many small businesses like farms and ranches are required to comply with this requirement.

Who must file: Any producer whose farm or ranch employs 20 employees or less, is a corporation, limited liability company (LLC), partnership, or was formed as another type of entity by filing a document with the secretary of state or similar state office is required to file a Beneficial Ownership Report with FinCEN.

When to file: Companies that were registered before January 1, 2024, have until January 1, 2025, to file their report. Any companies created between January 1, 2024, and January 1, 2025, have 90 days from their creation or registration with the state to submit this report to FinCEN. Additionally, any updates or corrections to beneficial ownership information must be submitted within 30 days.

Where to file: To comply with the Corporate Transparency Act, you must fill out a form online at <https://www.fincen.gov/boi>. The form will require your name, date of birth, residential or business address, and a unique identifying number like your driver’s license or passport number.

Producers are encouraged to consult with their attorneys to determine if the CTA applies. Penalties for non-compliance can include a \$500 per late day fine, up to \$10,000 in fines, or even prison sentences for refusing to comply with the law.

Resources: For more information, visit <https://www.fincen.gov/boi> or review FinCEN’s Small Entity Compliance Guide at <https://www.fincen.gov/boi/small-entity-compliance-guide>. This information is not professional advice, and you should always consult with a tax professional and/or attorney for advice as to whether the Corporate Transparency Act applies to you.

Sample Article for Print Publication

Attribution: National Cattlemen's Beef Association

Reports from Farm and Ranch Owners Now Required Under New Corporate Transparency Act

In 2021, Congress passed a law called the Corporate Transparency Act. Its goal was simple: prevent financial crimes by knowing the identity of corporation owners. In many states, forming a company is as easy as filing a document with the secretary of state and many types of legal entities like limited liability companies (LLC) offer tremendous privacy to their owners. With concerns mounting around foreign business acquisitions, Congress wanted a way to unmask anonymous legal entities.

While the law's intentions may have been good, honest farmers and ranchers have been unfortunately caught up in the Corporate Transparency Act and are now subject to its onerous rules. The law requires companies with 20 or fewer employees to file beneficial ownership information with the Financial Crimes Enforcement Network (FinCEN), a division of the U.S. Department of the Treasury, identifying who owns or controls the company. The stakes are also high because the law comes with severe penalties. Failing to file a report on time can result in fines of \$500 per day and willfully ignoring the law can result in up to two years of jail time.

Thankfully, complying with the law is fairly straightforward but farmers and ranchers must act now to review the law and gather information to file with FinCEN. Any corporation, LLC, or other type of legal entity that has 20 or fewer employees and files with the secretary of state is likely required to file with FinCEN. These reports to FinCEN include basic identifying information about the people who have "beneficial ownership" of a company—information like legal name, date of birth, home or business address, and a driver's license or passport number. While FinCEN has a specific legal definition of "beneficial owner," it generally applies to those who own over 25% of the company, have significant say in its operations, or receive a large benefit from its assets.

FinCEN started accepting reports at the start of 2024 and deadlines for filing these reports are rapidly approaching. For companies created or registered prior to January 1, 2024, FinCEN reports must be submitted by January 1, 2025. For companies created in 2024, owners have just 90 days after forming their company to submit a report to FinCEN. That deadline shrinks to just 30 days in 2025. Additionally, any updates or corrections to FinCEN reports must be submitted within 30 days.

This new requirement can be confusing, but FinCEN has created resources like a frequently asked question document and a Small Entity Compliance Guide. Both resources, and the form to file with FinCEN, are available at www.fincen.gov/boi. Producers with additional questions can also contact FinCEN by calling 1-800-767-2825 toll free or 703-905-3591.

This is not professional advice. Consult with a tax professional or attorney for advice as to whether the Corporate Transparency Act applies to you.

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Sample Social Media Content

Facebook

The recently passed Corporate Transparency Act may require cattle producers to file additional paperwork with FinCEN, a division of the U.S. Department of the Treasury. Visit <https://www.fincen.gov/boi> to see if this law impacts you.

If your farm or ranch has 20 or fewer employees, is structured as a corporation, LLC, or filed registration paperwork with the secretary of state, you may be required to file a beneficial ownership information form with FinCEN, a division of the U.S. Department of the Treasury. Learn more about this requirement at <https://www.fincen.gov/boi>.

Twitter

The new Corporate Transparency Act requires some farms and ranches to file ownership information with @FinCENnews. Learn more at <https://www.fincen.gov/boi>.

Is your farm or ranch a corporation, LLC, or registered with the secretary of state? You may be required to file paperwork with @FinCENnews. Learn more: <https://www.fincen.gov/boi>