



Corporate Transparency Act UPDATE

We were very hopeful on March 1, 2024 when the Corporate Transparency Act was deemed unconstitutional by the United States District Court, Northern District of Alabama because the Act exceeded Congress' enumerated powers. Then came the court's action which was a permanent injunction against the government for ONLY the plaintiff's in that case - National Small Business Association v. Yellen. This was NOT a nationwide injunction, so the law may be enforced against other entities.

What do you need to know now?

All community associations must comply by **January 1, 2025**.

This means all board members of the association and any member of the association who owns more than 25% or more of the units in the association (known as "individual with substantial control") must be included in the filing.

What information is needed to file?

The legal name of the association, physical address and tax ID. For board members and individuals with substantial control, you will need your name, birthdate, home address, identifying numbers from a driver's license, state ID or passport, and a copy of that identification.

What happens if the association does not comply?

Fines may be up to \$591 per day for each of the violation with a maximum penalty of 10K. Criminal penalties include possible imprisonment for up to 2 years and additional civil penalties as determined by enforcement authorities.

Don't like this requirement? ACT NOW.

Community Association Institute has created a petition so you can contact your members of Congress. Sign the petition [HERE](#) and consider that CAI has also filed a lawsuit to seek exemption from CTA. Remember the plaintiff's in the case I cited above? If the same outcome happens it is possible only CAI member associations may benefit. Of course, there is no guarantee but it's worth pointing out.

You can find a list of chapters for CAI with this [LINK](#).

You can learn more about CAI's position by reading the amicus brief filed by CAI in the United States Court of Appeals for the 11th Circuit. [Click here for a link to that brief.](#)

We invite you to share this information with other board members or managers you know. They don't have to be a client of PeytonBolin. We are all in this together!

Yours truly,

Jane F. Bolin, Esq.
Partner