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ATTENTION: BUSINESS OWNERS & Potential Business Owners

The beneficial ownership information (BOI) reporting requirements have been reinstated. With the enactment of the Corporate Transparency Act, corporations, limited liability companies (LLCs, including single member LLCs), limited partnerships, and other entities that file formation papers with a state's Secretary of State's office (or similar government agency) must file a report with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) providing specified information regarding the entity's "beneficial owners."

This mandate has been challenged in numerous courts, which resulted in the mandate being postponed numerous times. As the law currently stands, entities in existence prior to January 1, 2024, now have until March 21, 2025, to file these reports. Entities formed in 2025 have until the later of March 21, 2025, or 30 days from the date of formation to file the report. Entities formed in 2024 generally had 90 days from the date of formation; however, entities formed later in 2024 may now have until March 21, 2025, to file.

This is part of the federal government's anti-money laundering and anti-tax evasion efforts and is an attempt to look beyond shell companies that are set up to hide money. Unfortunately, this will impose burdensome reporting requirements on most businesses, and the willful failure to report information and timely update any changed information can result in significant fines of up to \$606 per day until the violation is remedied, or if criminal charges are brought, fines of up to \$10,000 and/or two years imprisonment. These penalties can be imposed against the beneficial owner, the entity, and/or the person completing the report.

Because of this rapidly approaching filing deadline, it is important that you are aware of your possibility of the reporting requirements. Even if you have filed your report, please be aware that you are required to keep information about your businesses as well as information on behalf of each beneficial owner up to date.

While our office will not file this report on your behalf, we are here to help you if you have any questions or concerns. You can find all the links for reporting as well as information on our website at www.srmaccounting.com

Our office recommends setting monthly reminders to quickly review your firm's and owner's information to keep your report and records up to date and in compliance.

Sincerely,

Sarah Mata
Enrolled Agent