

BOI Reporting Deadline Removed from Budget Bill Amid Legal Uncertainty

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The removal of the BOI reporting deadline extension from the federal budget bill leaves businesses in limbo as a nationwide injunction on enforcement remains in effect.

Editor's Note

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By The Guillen Pujol CPA Group Newsroom

[Beneficial Ownership Information \(BOI\)](#), [FinCEN Reporting](#), [GPCPAs Guides](#)

The federal budget bill passed on Friday night to avert a government shutdown did not include the proposed one-year extension of the deadline for companies to file beneficial ownership information (BOI) reports. The BOI reporting deadline removed from the bill leaves reporting entities with uncertainty as the BOI reporting requirement remains subject to legal proceedings and pending enforcement timelines.

Nationwide Injunction on BOI Reporting Deadline Removed from Budget Bill

The BOI reporting requirement, mandated under the Corporate Transparency Act (CTA), is currently blocked by a nationwide injunction. The injunction was issued on December 3, 2024, in the case [Texas Top Cop Shop, Inc. v. Garland, No. 4:24-CV-478 \(E.D. Texas\)](#). Under this ruling, the CTA and the BOI reporting rule cannot be enforced, relieving reporting companies of the January 1, 2025, compliance deadline—pending further court orders. The BOI reporting deadline removed from the budget bill has further complicated the regulatory landscape for businesses.

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The Department of Justice (DOJ) has appealed the injunction to the Fifth Circuit Court of Appeals, requesting a ruling on its stay request by December 27, 2024. The DOJ aims to provide clarity to regulated entities before the original compliance deadline arrives.

The BOI Reporting Requirement and Its Scopes to the Business Community

The Corporate Transparency Act, passed by Congress in 2021 as part of an anti-money-laundering initiative, requires certain reporting companies to disclose information about their beneficial owners to the U.S. Treasury Department. For entities formed after January 1, 2024, the law also mandates the disclosure of “applicants,” defined as individuals who file applications to form corporations, limited liability companies, or similar entities.

Despite the injunction, the CTA remains a critical component of federal efforts to combat financial crimes, with the Financial Crimes Enforcement Network (FinCEN) serving as the primary enforcement body. However, the injunction and removal of the extension from the budget bill have created a complex legal landscape for businesses.

Advocacy for BOI Reporting Deadline Extension

The American Institute of CPAs (AICPA) and state CPA societies have actively lobbied for an extension to the BOI reporting deadline. Their numerous letters to Congress and FinCEN highlighted the compliance burdens placed on small businesses and the need for additional time to meet the reporting requirements effectively.

The AICPA, which maintains a BOI reporting resource center, continues to provide updates and resources for businesses navigating these challenges. It has urged reporting companies to prepare proactively, despite the legal uncertainty.

Implications for Businesses

The removal of the extension provision from the budget bill, coupled with the nationwide injunction, underscores the volatile environment surrounding BOI reporting enforcement. While businesses currently face no immediate requirement to comply due to the court’s injunction, they should monitor the DOJ’s appeal closely, as the Fifth Circuit Court’s decision could significantly impact compliance timelines.

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For now, companies should remain vigilant and consult with legal and financial experts to ensure readiness should the injunction be lifted or enforcement proceed as scheduled. Staying informed through resources like the AICPA's BOI reporting center and updates from regulatory bodies is essential for navigating these developments.

Final Thoughts

The ongoing legal and legislative developments surrounding BOI reporting reflect the broader complexities of balancing regulatory compliance with operational realities for businesses. As the situation evolves, clarity will be crucial to ensuring businesses can meet their obligations without undue burden. For expert guidance and regular updates, consult trusted advisors and visit our website for more insights on this rapidly developing issue.

To understand FinCEN you can revisit our [FinCEN guides by clicking here.](#)

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