February 18, 2025

<u>VIA U.S. MAIL AND ELECTRONIC MAIL</u>

President Donald J. Trump
The White House
1600 Pennsylvania Avenue, Northwest
Washington, DC 20500

Re: Corporate Transparency Act

Dear President Trump,

Congratulations on your election as the 47th President of the United States. Under your strong leadership, and with the team you have selected, America's optimism for better days ahead is ubiquitous.

We serve as our corresponding states' Secretary of State and write on behalf of our citizens. Our hope is you consider this letter an official request to pursue repealing the Corporate Transparency Act (CTA). Specifically, the Beneficial Ownership Information (BOI) component of the CTA serves as yet another burden on our small businesses operating in the United States by forcing them to report extraneous information to the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN).

Further, implementation of the Act by the Biden administration has been an absolute train wreck. Though enacted over your veto as, presumably, a counterterrorism and anti-illicit finance effort, the types of entities that are most commonly engaged in money laundering and foreign influence campaigns—high grossing companies and tax-exempt nonprofits—are exempt, turning focus instead on American small business owners with less than twenty (20) employees and five million dollars

($5,000,000.00) in revenue. Under this law, the bad actors will either simply not comply, or they will find loopholes to slip through while legitimate hardworking, American small business owners will shoulder the additional burden of navigating unnecessary bureaucratic red tape in an attempt to comply, or face up to two (2) years in prison and ten thousand dollars ($10,000.00) in fines.

Information compiled regarding FinCEN's notice of proposed rulemaking (NPRM) process, including testimony cited before the U.S. Senate Committee on Banking, Housing and Urban Affairs on May 21, 2019, estimated compliance with the CTA would require twenty-five million (25,000,000) small business owners to expend over thirty million (30,000,000) hours at a staggering cost of just under one hundred forty-five million dollars ($145,000,000.00). If this estimate is accurate, it is worth noting the cost represents over half the two hundred thirty million dollar ($230,000,000.00) annual budget for FinCEN, who complained the CTA is necessary to outsource collection of BOI to the American public due to the "enormous amount of time—time that could be used to further other important and necessary aspects of an investigation." Federal Register/Vol. 86, No. 233/Wednesday, December 8, 2021/Proposed Rules, p. 69921, 69926 fn 54, 69952-53, and 69964.

Since the enactment of the CTA, our offices have received frequent communication from constituents expressing concerns, including tax attorneys and certified public accountants on their behalf. Grave concerns continue to be expressed over the unnecessary burdens placed on their businesses by the CTA, and the confusion surrounding its implementation. Much to our dismay and frustration, we have been unable to alleviate their fears by providing them any guidance or assurances regarding the CTA due to the lack of information coming from FinCEN.

Though charged with the enforcement of the CTA, FinCEN has simply been unable to provide clarity and sufficient support. Our states' businesses are left bewildered and grasping for answers. In the past, we have been told by FinCEN that while business owners who have questions regarding the CTA may not be able to communicate with a live person, a chatbot will be readily available. Clearly, that approach is completely unacceptable given the complex nature and potential liabilities associated with violations of, and/or noncompliance with, the CTA. It is imperative that our states' business owners get the necessary relief they deserve from this overly burdensome act. To complicate matters even more, the recent back and forth between the courts has further undermined our ability to disseminate information on implementation.

In addition to each of these complications, most of us are of the opinion the federal government already has all of this information at its disposal; thus, the BOI portion of the CTA simply acts as yet another hook for the federal government to pursue and/or punish hardworking Americans with which it disagrees. Unfortunately, this fear is well founded. As you may recall, in a February 2024 letter to Sen. Tim Scott,

the Treasury Department admitted to surveilling Americans' personal financial transactions via FinCEN. While the subjects may slightly differ, the concern of FinCEN using what it can to punish Americans is real and documented.

A bill was recently introduced in Congress to repeal the Corporate Transparency Act—H.R. 8147 titled ("Repealing Big Brother Overreach Act"). We respectfully request and plead for your assistance in repealing the CTA immediately in the best interests of our respective states and our country.

Sincerely,

Wes Allen
Alabama Secretary of State

Robert Evnen
Nebraska Secretary of State

Brad Raffensperger
Georgia Secretary of State

David Scanlan
New Hampshire Secretary of State

Phil McGrane
Idaho Secretary of State

Michael Howe
North Dakota Secretary of State

Diego Morales
Indiana Secretary of State

Frank LaRose
Ohio Secretary of State

Paul Pate
Iowa Secretary of State

Josh Cockroft
Oklahoma Secretary of State

Michael G. Adams
Kentucky Secretary of State

Mark Hammond
South Carolina Secretary of State

Nancy Landry
Louisiana Secretary of State

Monae L. Johnson
South Dakota Secretary of State

Michael Watson
Mississippi Secretary of State

Tre Hargett
Tennessee Secretary of State

Denny Hoskins
Missouri Secretary of State

Kris Warner
West Virginia Secretary of State

Christi Jacobsen
Montana Secretary of State

Chuck Gray
Wyoming Secretary of State