

January 15, 2025

The Honorable Tommy Tuberville  
U.S. Senate  
455 Russell Senate Office Building  
Washington, D.C. 205150

The Honorable Warren Davidson  
U.S. House of Representatives  
2113 Rayburn House Office Building  
Washington, D.C. 20515

Dear Senator Tuberville and Representative Davidson,

On behalf of tens of millions of small businesses, the undersigned organizations strongly support your legislation to repeal the Corporate Transparency Act (CTA), an unconstitutional expansion of the federal government that targets over 32 million small businesses.

The CTA was signed into law as part of the 2021 National Defense Authorization Act.<sup>1</sup> By passing this law, Congress imposed one of the most expansive small business regulations in history as an amendment to an unrelated and must-pass bill.

The law's intent was to fight money laundering and shell companies. Unfortunately, criminals will not comply with this law or file their beneficial ownership information with the federal government. However, law-abiding small business owners will. Small businesses fear that all the CTA has done is impose tens of billions of dollars in compliance costs on their businesses and will not stop the criminal activity it was intended to target.

Thankfully, on December 26, 2024, the U.S. Court of Appeals for the Fifth Circuit reinstated a nationwide injunction, blocking the enforcement of the CTA. Without this ruling, over 20 million small businesses could face up to a \$10,000 fine and 2 years in prison for not complying with a law they largely do not know exists. In fact, according to research from the National Federation of Independent Business (NFIB), 83% of small businesses do not know of the CTA or the requirements stemming from the law.

Small businesses are not criminals and do not wish to be treated as such by the federal government. We are not opposed to efforts to fight criminal activity, but these efforts must be targeted and tailored. The CTA is not. It is a sledgehammer that imposes exorbitant fines that could close down millions of small businesses forever and penalties that may criminalize tens of millions of law-abiding small business owners.

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<sup>1</sup> TITLE LXIV—ESTABLISHING BENEFICIAL OWNERSHIP INFORMATION REPORTING REQUIREMENTS, William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116-283, January 1, 2021, <https://www.congress.gov/116/plaws/publ283/PLAW-116publ283.pdf>

The *Repealing Big Brother Overreach Act* would eliminate this unconstitutional power grab by repealing the Corporate Transparency Act. We strongly support this legislation and urge Congress to enact it swiftly to provide relief and certainty to over 32 million small businesses.

Sincerely,

Air Conditioning Contractors of America  
Alliance for Chemical Distribution  
American Building Materials Alliance  
American Council of Engineering Companies  
American Craft Spirits Association  
AmericanHort  
American Lighting Association  
American Mold Builders Association  
American Short Line and Regional Railroad Association  
American Supply Association  
Associated Builders and Contractors  
Associated Equipment Distributors  
Associated General Contractors of America  
Brewers Association  
CM Services, Inc.  
Community Associations Institute  
Heating, Air-conditioning, & Refrigeration Distributors International  
Family Business Coalition  
Forging Industry Association  
Gases and Welding Distributors Association  
Global Cold Chain Alliance  
International Council of Shopping Centers  
International Franchise Association  
International Sign Association  
Irrigation Association  
Marine Retailers Association of the Americas  
Material Handling Equipment Distributors Association  
Minnesota Farm Bureau Federation  
National Apartment Association  
National Association of Convenience Stores  
National Association of Electrical Distributors  
National Association of Wholesaler-Distributors  
National Cotton Council  
National Federation of Independent Business  
National Fisheries Institute  
National Funeral Directors Association  
National Grocers Association

National Lumber & Building Material Dealers Association  
National Pork Producers Council  
National Roofing Contractors Association  
National Propane Gas Association  
National RV Dealers Association  
National Small Business Association  
National Stone Sand & Gravel Association  
National Tooling and Machining Association  
North American Association of Food Equipment Manufacturers  
Owner-Operator Independent Drivers Association  
Performance Racing Industry  
Plumbing-Heating-Cooling Contractors – National Association  
Precision Machined Products Association  
Precision Metalforming Association  
PRINTING United Alliance  
Private Investor Coalition  
S Corporation Association  
Small Business & Entrepreneurship Council  
Society of Collision Repair Specialists  
Specialty Equipment Market Association  
Textile Care Allied Traders Association  
USA Rice  
Wyoming Stock Growers Association