

News & Insights

Corporate Transparency Act Blocked by Texas Court

December 3, 2024

Hall Estill Newsletter

<https://conta.cc/4f23agh>

On December 3, 2024, the United States Federal Court for the Eastern District of Texas issued a nationwide preliminary injunction prohibiting the federal government's enforcement of the Corporate Transparency Act (CTA). In so doing, the Court stated: "Neither [the CTA nor its related rules] may be enforced, and reporting companies need not comply with the CTA's January 1, 2025, BOI reporting deadline pending further order of the Court."

This nationwide injunction does not eliminate the Corporate Transparency Act in its entirety. Rather, it puts an obstacle in front of the federal government's enforcement of the law following the January 1, 2025 compliance deadline. As such, Hall Estill advises all reporting companies keep on the lookout for the results of upcoming legal proceedings in this case and in the multitude of other cases reviewing the constitutionality of the CTA that could alter or overrule this initial decision.

If you have any questions about the impact this case could have on your company's reporting obligations under the CTA, please contact your Hall Estill attorney.