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Are We CTA-ing Goodbye to the Corporate Transparency Act? Federal District Court Issues Nationwide Injunction

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On December 3, 2024, United States District Court Judge Amos Mazzant issued a nationwide order enjoining the Corporate Transparency Act (CTA), a law which required nearly all types of corporate entities to submit beneficial owner information to the Treasury Department.

The order restricts the government from enforcing the CTA and the compliance deadline for businesses to report their beneficial ownership information has been enjoined as well, meaning businesses no longer must make the CTA filings until the matter is successfully appealed or the court amends its order.

In ruling that the CTA is “likely unconstitutional as outside of Congress’ power,” Judge Mazzant utilized very similar reasoning to that of Judge Liles C. Burke of the United States District Court for the Northern District of Alabama, when, he too, concluded the CTA is unconstitutional earlier this year. In that case, the court’s ruling only applied to the plaintiff, whereas Judge Mazzant’s December 3, 2024 order applies nationwide to all businesses. In both orders, the Judges stated that the CTA exceeded the boundaries of the Commerce Clause and fell outside the Necessary and Proper Clause.

Entities affected by the CTA should continue to monitor the guidance. Subsequent proceedings in this case and other cases could modify or change this order.

Takeaway: The Corporate Transparency Act is currently blocked, and businesses are no longer required to comply with the reporting requirements until further legal developments occur. If you have questions, contact any member of the [Health Law Team](#).

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