

---

## Constitutional Challenges to the Corporate Transparency Act

*Legal Alert*

---

March 7, 2024

**Jonathan Ellis, Mariel Giletto, Anthony Gruzdis, Matthew Meltzer, David Neufeld**

The federal Corporate Transparency Act (CTA), which went into effect on January 1<sup>st</sup> of this year, is currently the subject of a constitutional challenge. The link to our prior alert regarding the CTA can be found [here](#).

On March 1, 2024, a federal District Court in Alabama held that the CTA is unconstitutional. (See *National Small Business Un., et al. v. Yellen*, Case No. 5:22-cv-1448-LCB, N.D. Ala.). However, the scope of the ruling is limited to the plaintiffs who brought the lawsuit, as the court prevented further enforcement of the law only against the National Small Business United members. FinCEN has accepted this position pending appeal. It is anticipated that the ruling will be appealed to the U.S. Court of Appeals for the Eleventh Circuit, where it must be briefed and argued before a three-judge panel. If FinCEN loses on appeal, FinCEN could petition the U.S. Supreme Court.

Given the District Court's ruling is not nationwide in scope and only applies to National Small Business United members, Flaster/Greenberg recommends that all persons and companies affected by the CTA continue to comply with FinCEN's reporting requirements until there is action by Congress, FinCEN, or a higher court.

Flaster Greenberg will continue monitoring developments regarding the CTA. If you have any questions about the CTA and how it affects you or your organization, please contact your attorney at Flaster Greenberg, one of the members of our firm's CTA Task Force (Jonathan Ellis, Mariel Giletto, Anthony Gruzdis, Matthew Meltzer, David Neufeld), or any attorney in the Business & Corporate Department, to discuss how we can help determine whether the CTA applies to you or your organization and, if necessary, comply with the CTA.

### Upcoming Business Law Seminar: Corporate Transparency Act

[Click here](#) to learn more about, and register for, our April 30, 2024 CTA Business Law Seminar.

Join our Corporate and Estates attorneys who will be providing an informative overview on the Corporate Transparency Act (CTA), reporting requirements, and how the new law impacts businesses, beneficiaries, and company applicants. In addition to the below topics, as an attendee you will walk away knowing whether the CTA applies to you or your organization and what you need to do to comply now and moving forward. Plus, don't miss our attorneys' analysis of the March 1st surprise decision where a federal district court ruled that the CTA is unconstitutional.

### ATTORNEYS MENTIONED

Jonathan Ellis

*Continued*

---

Mariel Giletto

Anthony Gruzdis

Matthew Meltzer

David Neufeld