



May 10, 2024

The Honorable Patrick McHenry
Chair
House Financial Services Committee
134 Rayburn HOB
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
2221 Rayburn HOB
Washington, DC 20515

Dear Chair McHenry, Ranking Member Waters, and Members of the House Financial Services Committee:

I write on behalf of the National Taxpayers Union (NTU), the nation's oldest taxpayer advocacy organization, in strong support of H.R. 8147, the Repealing Big Brother Overreach Act, sponsored by Senator Tommy Tuberville (R-AL) and Rep. Warren Davidson (R-OH). This timely bill would prevent an excessively burdensome compliance requirement for small businesses from coming into effect nationally.

The Corporate Transparency Act (CTA) was attached to the 2021 National Defense Authorization Act. This legislation might seem innocuous at first glance, establishing "beneficial ownership information" (BOI) requirements on businesses. Beneficial ownership refers to the ultimate controlling interest for LLCs and Corporations. This new database on businesses' beneficial ownership reporting would be housed under the Financial Crimes Enforcement Network (FinCEN). FinCEN recently finalized the rulemaking earlier this year - and it has resulted in major confusion and risk for small businesses.

As noted by witnesses in the House Small Business Committee's hearing on the topic that took place earlier this month, there are severe risks associated with this rule that are not counterbalanced by public interest. Businesses will be required to give FinCEN sensitive information that exists in a semi-public database, presenting a serious risk for data breaches. This information will include date of birth, full legal name, addresses, and even driver's license numbers for affiliated business owners. Putting this information at risk in the hopes criminals self-report their wrongdoing should raise major privacy concerns for Congress.

Furthermore, the compliance burden of this rule will result in [millions of hours of paperwork](#), thereby costing around 32 million businesses hundreds of millions of dollars in time and filing

costs. Again, this cost is not offset by the doubtful benefits of BOI, the success of which is dependent on criminals filing an extensive paper trail with FinCEN.

NTU strongly supports the Repealing Big Brother Overreach Act and urges the committee to immediately pass this legislation.

Sincerely,

Nicholas Johns
Senior Policy & Government Affairs Manager
National Taxpayers Union