Client Alert: Texas Court Halts Corporate Transparency Act Nationwide

BY JULIE K. O'NEILL • DECEMBER 3, 2024

UPDATE

On December 3, 2024, a Texas Federal court issued a nationwide injunction on the Corporate Transparency Act. The injunction means that, as of this moment, no business is required to comply with the CTA pending further guidance or court action. The opinion can be found here.

We will follow this news for further guidance and provide necessary updates.

Below is our original alert:

The Corporate Transparency Act ("CTA") went into effect January 1, 2024. The deadline for many entities to make this filing is January 1, 2025, which is fast approaching.

It is important to determine whether your entity is subject to the reporting requirement under the CTA. There are 23 categories of entities that are exempt from the reporting requirement.

Any existing entity formed prior to January 1, 2024, has until January 1, 2025, to file its first beneficial ownership information ("BOI") report, if it is subject to the reporting requirement. Any new entity that was or is formed on or after January 1, 2024, is required to file its first BOI report, if applicable, within 90 days after the date of formation.

Failure to comply could lead to civil and criminal actions for each violation, including a civil penalty up to $500 per day a violation continues and even a criminal penalty of up to $10,000, imprisonment for up to two years, or both. Even if your company was dissolved during 2024, it still owes a report, unless it is exempt.

Employers and companies with questions about how to comply with the CTA should consult their Bowditch attorney. We will assume you are handling these matters on your own unless you request assistance from your Bowditch attorney in writing.

©2026 Bowditch & Dewey LLP. All Rights Reserved.