

Dear Client,

**This letter is going out to all clients in our database.**

**If you do not have a business entity, you may disregard this message.**

Many of you have been hearing and asking our office about the Beneficial Ownership Information (BOI) Reporting requirement that has started. We wanted to send out some information and reminders to our clients regarding this filing and the potential risks for not completing the filing.

**Commonwealth Tax is NOT offering to file this form because of the amount and sensitivity of the information involved. This must be completed by someone in your organization.**

### **Who Must File:**

1--If your business is an LLC or Corporation, including a single member LLC, and you were formed prior to 1/1/2024, you must submit this form by the end of 2024.

2--If you form a new entity in 2024, you must have done the report within 30 days of formation.

3—Once you file the report, if there are any changes to the entity or owners (including addresses) an update of the original reporting must be filed within 30 days of the change.

Reporting is done with a special electronic filing with the Treasury Department's Financial Crimes Enforcement Network (Not the IRS). The website for the reporting is: <https://www.fincen.gov/boi>

### **Information Needed for Filing:**

The required information includes owners and, for new businesses formed in 2024, the company applicants. To clarify, even if you have set up an LLC just to own a rental property this form is required, and a separate filing and form is required for every single entity, whether an LLC, an S corporation, or a C Corporation.

We are particularly concerned about folks that have set up their own LLC online.

### **Company Information**

1. Full legal name according to the Secretary of State (download a "good standing" report),
2. Any trade and "doing business as" names,
3. A complete current street address of the principal place of business (A P.O. Box or the address of a 3rd party agent does not comply with this requirement)
4. The state, tribal or foreign jurisdiction of formation,
5. The IRS Taxpayer Identification Number.

### **Owner and Applicant information**

For each owner of at least 25% of the entity (directly or indirectly), the reporting must include for each owner:

1. Legal name and date of birth,
2. Address,
3. Unique identifying number and the issuing jurisdiction from one of the following documents: (i) a non-expired passport issued to the individual by the United States government, (ii) or a non-expired identification document issued to the individual by a State, local government, or Indian tribe for the purpose of identifying the individual, (iii) or a non-expired driver's license issued to the individual by a State, or (iv) a non-expired passport issued by a foreign government to the individual, if the individual does not possess any of the other documents described, and
4. An image of the document from which the unique identifying number (above #4) was obtained.

Additionally, the rule requires that reporting companies created after January 1, 2024, provide the four pieces of information and document image for company applicants.

### **Potential Risk for Not Filing:**

Currently the penalty for not filing is upwards of \$500 per day. In addition, you could be charged \$10,000 and up to 2 years in jail if found to willfully violate the requirement.

Details can be found at: <https://boifiling.fincin.gov/help>

**At the present time there are NO extensions available.**

Because of the incredible amount of confidential information that must be provided, we strongly emphasize that you do NOT use unknown 3rd party solicitors, because they could use this confidential information to steal your or your company's identity or data.

Sincerely,



Commonwealth Tax

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