



April 30, 2024

The Honorable Roger Williams  
Chair  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

Nydia Valázquez  
Ranking Member  
House Committee on Small Business  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Williams, Ranking Member Valázquez and Members of the House Committee on Small Business:

On behalf of Associated Builders and Contractors, a national construction industry trade association with 68 chapters representing more than 23,000 members, I appreciate the opportunity to comment on today's hearing, "Under the Microscope: Examining FinCEN's Implementation of the Corporate Transparency Act." The majority of ABC's general contractor and subcontractor members qualify as small businesses as defined by the Small Business Administration and the industry consistently has one of the highest concentrations of small business participation.

On Jan. 1, 2021, Congress enacted the CTA into law, establishing a new framework for the reporting, maintenance and disclosure of beneficial ownership information in order to better enable critical national security, intelligence and law enforcement efforts to counter money laundering, the financing of terrorism and other illicit activity. Much to ABC's concern, the U.S. Department of Treasury's Financial Crimes Enforcement Network's efforts to implement the CTA would require millions of small businesses, including nearly every employer with 20 or fewer employees, to report personal information of their beneficial owners and update that information periodically throughout the life of the business. As noted in ABC's [comments](#), FinCEN's proposed rule also fails to consider that most small businesses do not have the means to understand the reporting obligations in the CTA, and therefore risk significant fines and possible imprisonment for their inability to comply.

On March 1, after a legal battle led by the National Small Business Association and supported by the S-Corporation Associates of America and the members of the Main Street Employers Coalition, including ABC, a federal judge for the Northern District of Alabama Northeastern Division [ruled](#) that the CTA is unconstitutional. The decision, however, only applies to members of the NSBA, and all other businesses are still required to adhere to the CTA's filing requirements. While encouraged by the court's ruling, ABC is disappointed that the decision is limited only to the plaintiffs in the case and calls on the committee to examine the ruling's impact.

ABC believes that not only does the CTA place increased compliance burdens and consequences on small businesses, but also represents an overstep of Congress's constitutional limits in issuing the CTA; therefore, a stay in enforcement of the law should include all affected parties.

ABC appreciates the committee's efforts to provide additional clarity to the business community as they cope with undue requirements and regulation and looks forward to our continued work toward improving the playing field for America's small businesses.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kristen Swearingen', written in a cursive style.

Kristen Swearingen  
Vice President, Legislative & Political Affairs