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May 1, 2026

The Honorable John Kennedy
U.S. Senate
437 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Kennedy,

On behalf of NFIB, the nation's leading small business advocacy organization, I write in support of S. 4419, legislation to protect over 32 million American small businesses from the burdensome and unconstitutional beneficial ownership information (BOI) reporting mandate. Enacting S. 4419 would provide immediate relief to small businesses and lock in over \$128 billion of regulatory cost reductions.

The BOI mandate was created by Congress at the height of the COVID pandemic, through legislation called the Corporate Transparency Act (CTA). The little-known mandate is one of the most expansive small business regulations in history that was quietly inserted into an unrelated and must-pass bill to fund the military.

The law's intent was to fight money laundering and anonymous shell companies. Unfortunately, in its intent to combat these bad actors, Congress passed a law that wrapped up over 32 million law-abiding small business owners into an invasive and unconstitutional mandate. What's even worse is that the criminals the law was intended to catch will not comply or file their beneficial ownership information with the federal government. However, law-abiding small business owners will. Small businesses fear that all the CTA has done is impose tens of billions of dollars in compliance costs on their businesses and will not stop the criminal activity it was intended to target.

Thankfully, Treasury exempted over 32 million American small businesses from this burdensome and unconstitutional mandate in 2025. Without this action, millions of small businesses could have faced up to a \$10,000 fine and 2 years in prison for not complying with a law they largely do not know exists.

According to the Office of Information and Regulatory Affairs (OIRA), this critical action to exempt American small businesses from the BOI mandate was the largest deregulatory action of 2025, saving

small businesses over \$128 billion in compliance costs.¹ Senator Kennedy's urgent legislation will lock in these savings so that a future Administration cannot reimpose this enormous mandate.

In addition to the significant regulatory impact, the CTA authorized a massive new federal data collection and surveillance system. The BOI database is readily available to state, federal and international law enforcement and intelligence agencies without a subpoena. This unconstitutional information grab subjects the personal data of over 32 million Americans to potential abuse, leaks and hacks. S. 4419 will protect the personal data of small businesses by requiring the Financial Crimes Enforcement Network (FinCEN) to destroy the BOI of US businesses within 90 days of the legislation becoming law.

NFIB strongly supports S. 4419 and urges swift action to protect over 32 million small businesses from this invasive government overreach. Thank you for your leadership to provide regulatory relief to small businesses in Louisiana and across the nation.

Sincerely,

A handwritten signature in black ink, appearing to read "JMcLeod". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Josh McLeod
Director, Federal Government Relations
NFIB

¹ The White House, *White House Office of Management and Budget's Office of Information and Regulatory Affairs Releases End of Year Deregulatory States: Showing the Trump Administration Has Best Deregulation Year in History*, December 19, 2025.
<https://www.whitehouse.gov/briefings-statements/2025/12/32750/>.