

Estate Planning News

HAWKINS GORDON | WINTER 2024

The Corporate Transparency Act and Your LLC, Small Business, or Corporation

The federal Corporate Transparency Act (“CTA”), which went into effect on January 1, 2024, imposes substantial new reporting requirements on most corporations and limited liability companies (“LLC”).

The purpose of the CTA is to create a database of business entities that will allow the Financial Crimes Enforcement Network (“FinCEN”) to identify the individuals who own a company. To do this, the CTA requires most companies to file an initial Beneficial Ownership Information (“BOI”) report and periodic updates with FinCEN.

“Reporting companies” include most corporations, limited liability companies, and other companies created by filing with the secretary of state or similar office, as well as foreign companies registered to do business in the United States. Certain exceptions do apply.

All reporting companies must report information about the reporting company itself, as well as information about its “beneficial owners” and, in certain circumstances, its “company applicants.”

A beneficial owner generally is an individual who exercises substantial control over a reporting company or directly or indirectly owns or controls at least 25% of the ownership interest in a reporting company. Direct ownership or control includes joint ownership. Indirect ownership includes ownership via a contract, agreement, or arrangement, such as a trust or holding company. If your estate plan includes a trust that owns 25% or more of a reporting company, you are a beneficial owner of the reporting company.

Reporting companies created or registered before January 1, 2024, must file their initial BOI report by January 1, 2025.

All reporting companies created after January 1, 2024 must also report their “company applicants.” A company applicant is a person who either directly files the documents creating or registering the company with the secretary of state or similar office or directs or causes the filing to be made.

Reporting companies created or registered on or after January 1, 2024, and before January 1, 2025, have 90 days to file an initial BOI report. Reporting companies formed on or after January 1, 2025, have 30 days to file an initial BOI report.

An updated report must be filed within 30 days anytime there is a change to the required information about a reporting company or its beneficial owners.

Hawkins Gordon is available to assist our clients in complying with the new reporting requirements. Please contact our office to determine if your business is a reporting company and for assistance preparing and filing your required BOI reports.



For more information regarding the Corporate Transparency Act and the reporting requirements, visit: <https://www.fincen.gov/boi>.



Estate and Gift Tax Update

As of January 1, 2024, the federal estate and gift tax exemption amount is \$13,610,000 per person (\$27,220,000 per married couple), up from \$12,920,000 in 2023. The annual gift tax exclusion amount increased for 2024, and is now \$18,000 per person (\$36,000 per married couple).

The federal estate and gift tax exemption amount is scheduled to sunset at the end of 2025, and beginning January 1, 2026, the exemption amount is expected to

return to \$5,000,000 (adjusted for inflation). Congress could act to prevent or modify the sunset provision. We will continue monitoring congressional action and keep you informed of any changes.

If your estate exceeds \$5,000,000 per person (\$10,000,000 per married couple) (adjusted for inflation) and you would like to take advantage of the current higher exemption amount, please contact our office to explore your estate tax planning options.

Firm News

- *Hawkins Gordon* has been included in the Best Law Firms® 2024 edition for our work in Trusts and Estates, as a Colorado Tier 2 firm.
- *Miranda K. Hawkins* was named by her peers as one of the 2024 Best Lawyers in America and was ranked among the top 5% of attorneys nationwide for her work in trusts and estates. Miranda was appointed to serve as an administrator of the Denver Bar Association Waterman Fund charitable trust and was appointed by the Colorado Supreme Court to serve on an ethics hearing board.
- *Jennifer A. Gordon* joined The Denver Foundation Professional Advisors Council.
- *Anne M. Zogg* and *Madeline N. LeGrange* are active volunteers with the Metro Volunteer Lawyers.
- *Madeline VanHeuvelen* is now our full time paralegal.
- *Becky Simon* has joined the team as our administrative assistant.



Hawkins Gordon partners with clients on estate planning, and trust and estate administration matters, including related issues in real estate, business and tax law, and charitable planning.



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