

WICPA ANNUAL TAX CONFERENCE NOVEMBER 11-12, 2024

BOI Panel

Moderator:

• Attorney Joseph W. Boucher, JD, CPA, MBA co-founder Neider & Boucher, S.C

Panelists:

- Jeff Kowieski, CPA, JD, Risk Management Partner & General Counsel of Wipfli, LLP
- Christopher Olson, CPA, MST Shareholder KerberRose
- Peter J. Soukenik, JD, Associate Attorney, Reinhart Boerner Van Deuren, S.C.
- Matt Whalen, CPA, Vice President & Director of Taxation, Northland CPAs

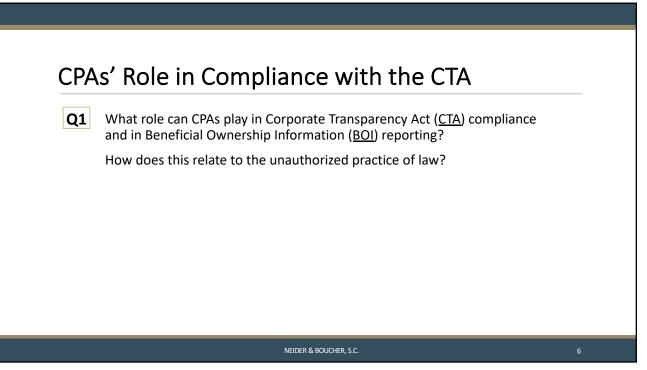
BOI Panel

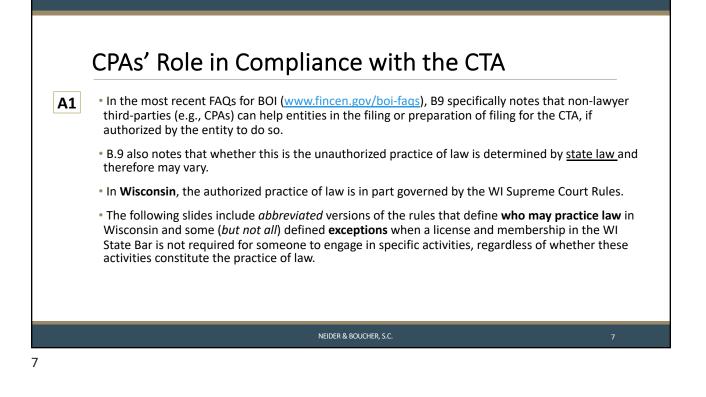
Special thank you to Attorneys Kent Schlienger, Craig Miller and Julijana Englander of Neider & Boucher, S. C. who assisted in the preparation of these materials.

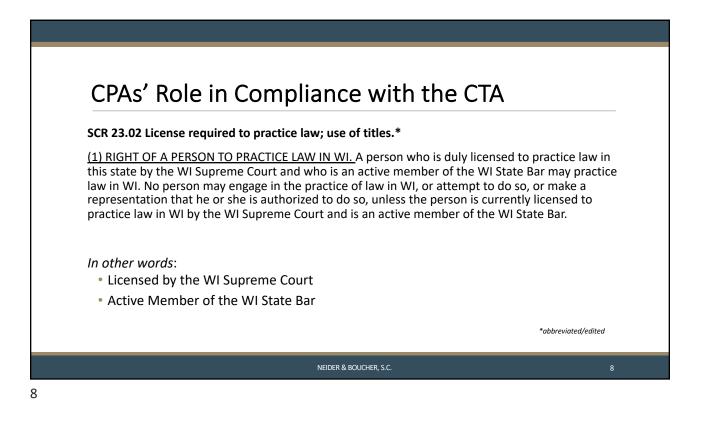
	The Corporate Transparency Act (CTA) was enacted on Jan. 1 and other illicit activities by increasing transparency and cre	· · · · · · · · · · · · · · · · · · ·
8	The CTA went into effect on Jan. 1, 2024.	
	As a result of the CTA, millions of small businesses, or Reporting Companies, will be required to disclose informatio the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) about:	
	 The company itself Its Beneficial Owners Its Company Applicants 	QUESTION: Any guesses how many Reporting Companies are affected by the CTA and required to report to FinCEN?

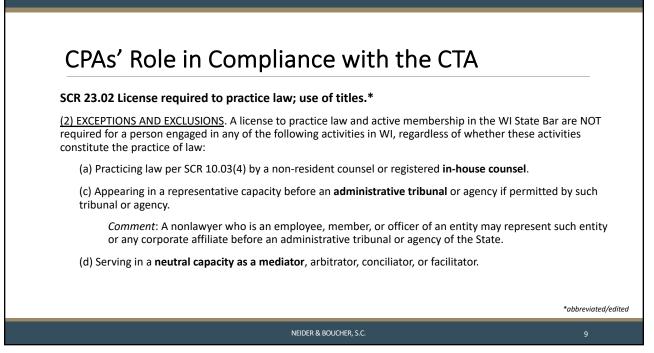
Who is a Beneficial Owners are individuals who directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise: Substantial Control. (i) Exercise substantial control over the entity, or Ownership Interest. (ii) Own or control not less than 25% of the ownership interests of the entity. Exceptions. Individuals who may otherwise be considered a Beneficial Owner are *exempt if they are*: Minors; Individuals acting as a nominee, intermediary, custodian, or agent on behalf of another individual; Individuals acting solely as an employee and whose control over or economic benefits from such entity is derived solely from the employment status of the person; or, Individual whose only interest is through a right of inheritance.

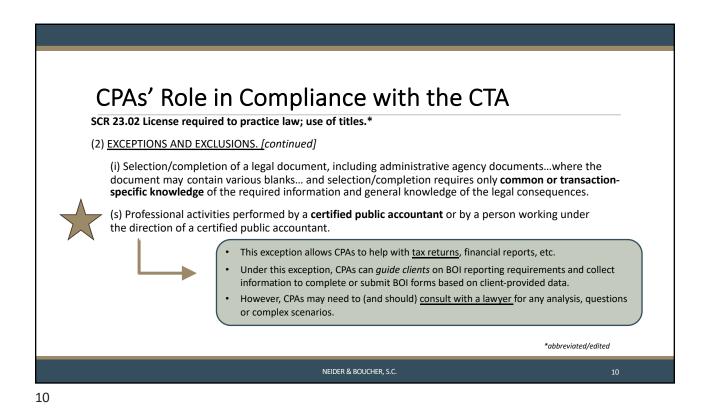
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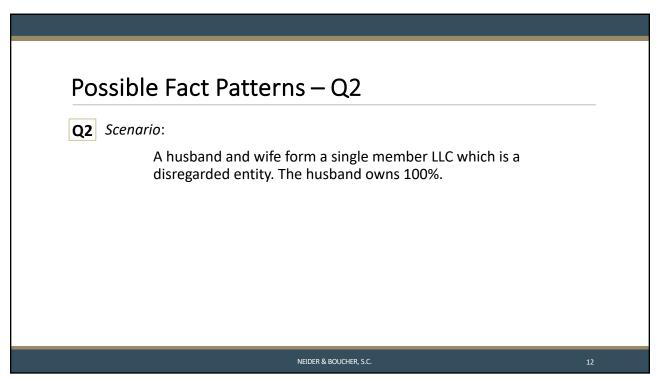
Possible Fact Patterns

There are several possible common entity ownerships. All of the scenarios on the following slides are Wisconsin based examples.

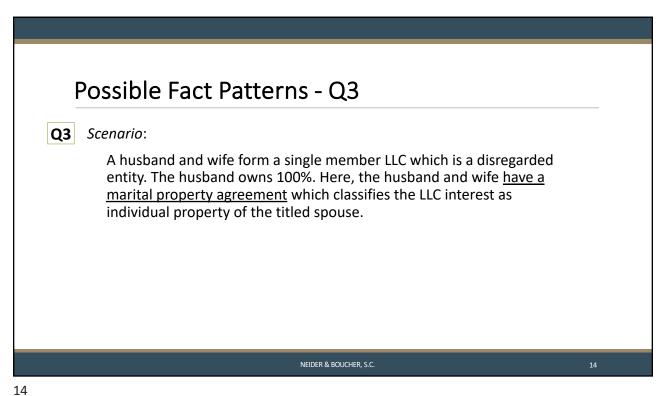
Unless stated otherwise, assume:

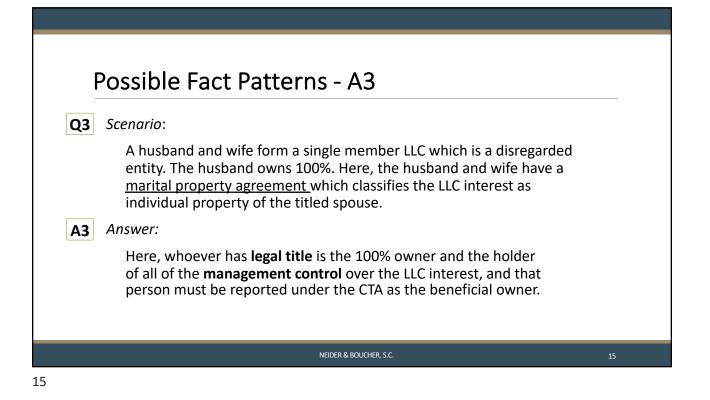
- 1. All of the entities are Wisconsin formed.
- 2. No marital property agreements, unless stated otherwise.
- 3. These entities are not exempt.
- 4. There are no unusual management arrangements.
- 5. LLCs are member managed, unless stated otherwise.
- 6. All entities were formed before January 1, 2024.

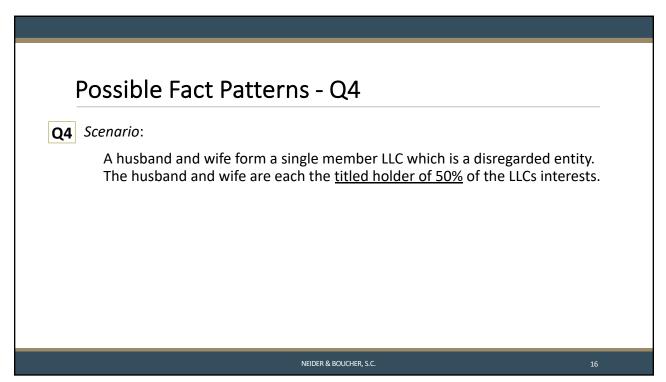
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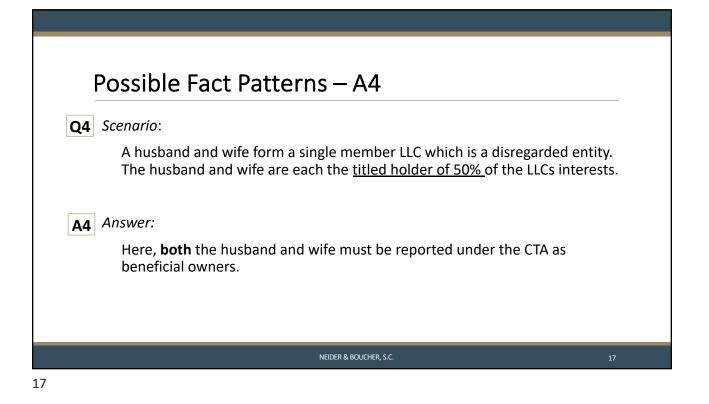


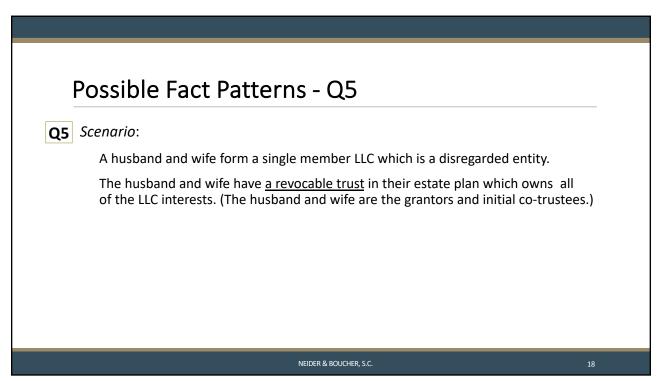
Q2	Scenario:
	A husband and wife form a single member LLC which is a disregarded entity. The husband owns 100%.
A2	Answer:
	Under Wisconsin marital property law, each spouse is the equitable owner of 50% of the LLC interest, even though the husband has titled ownership
	Both spouses should be reported under the CTA as a beneficial owner.

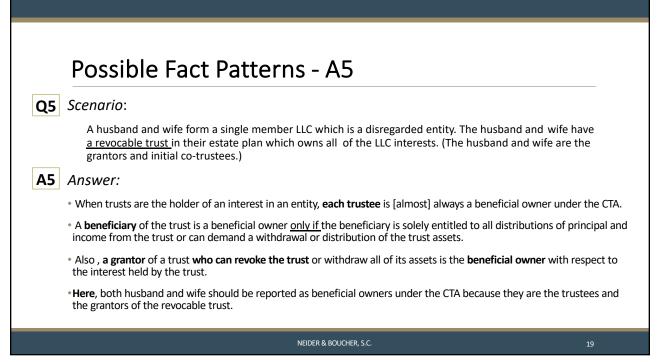


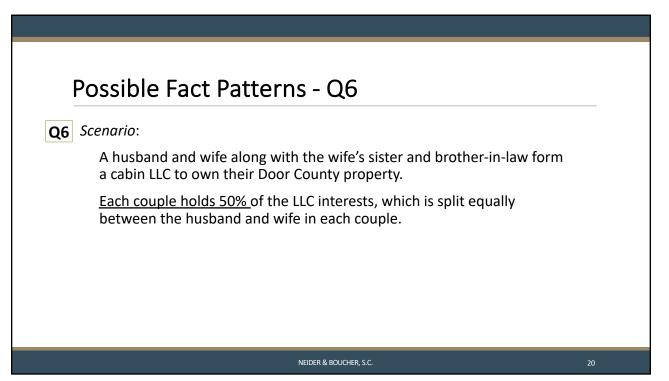


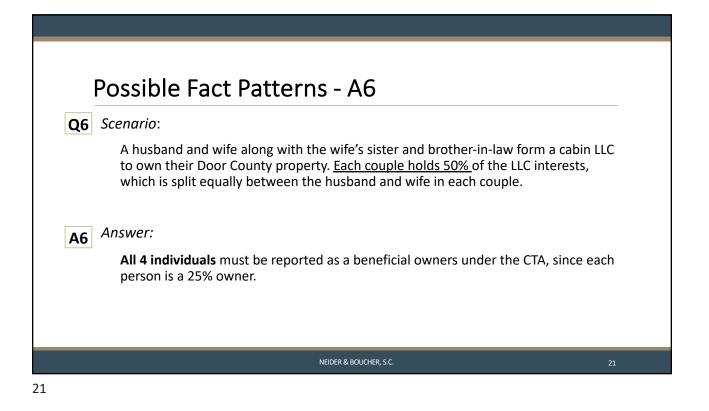


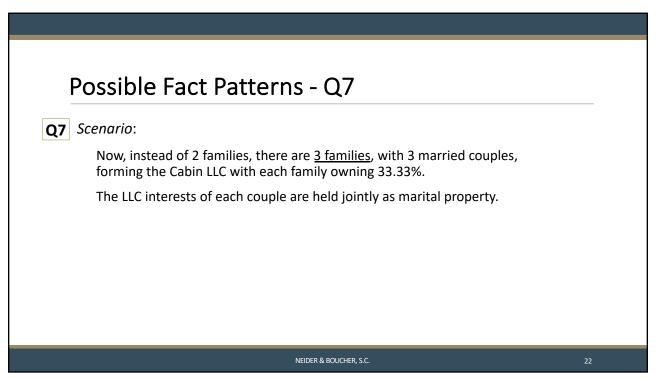


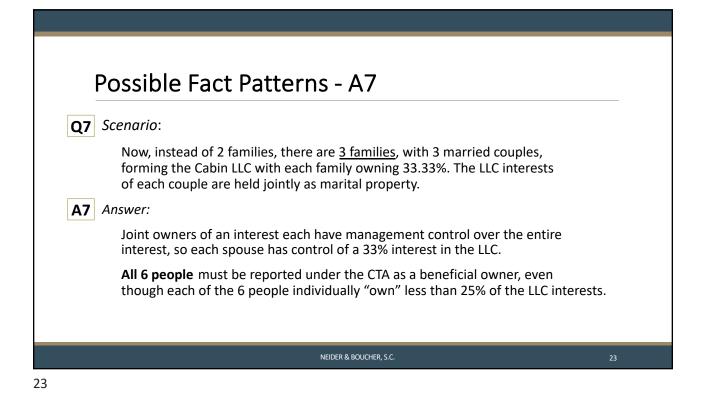


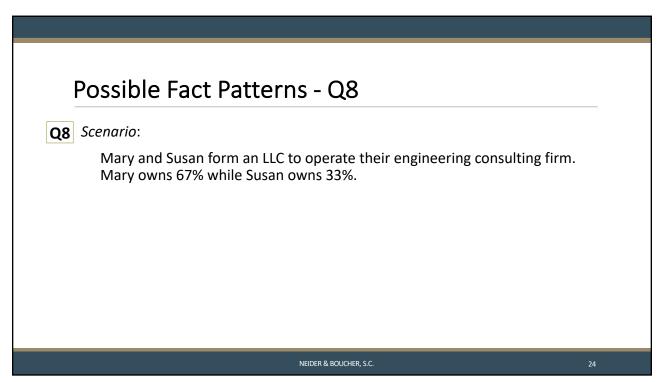


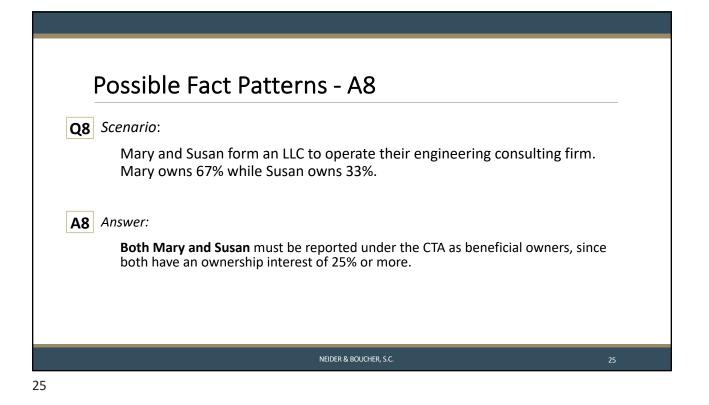


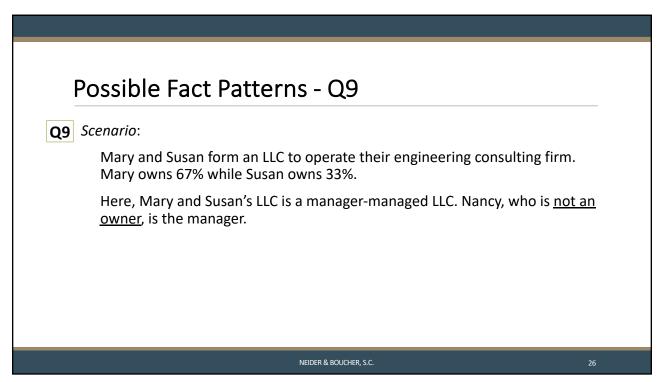


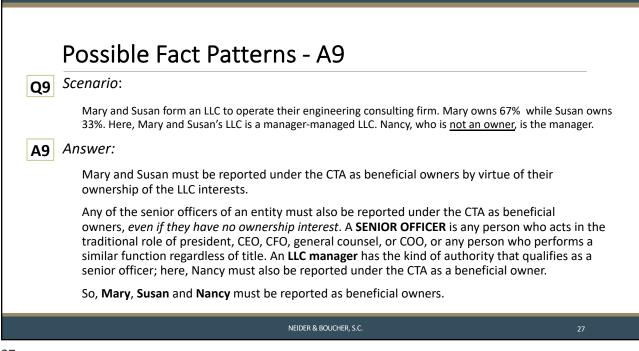




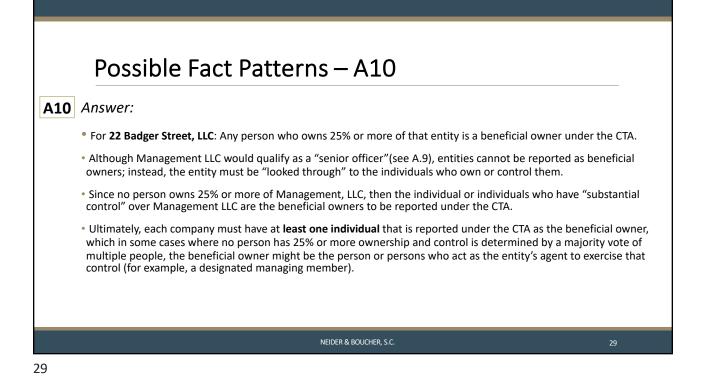












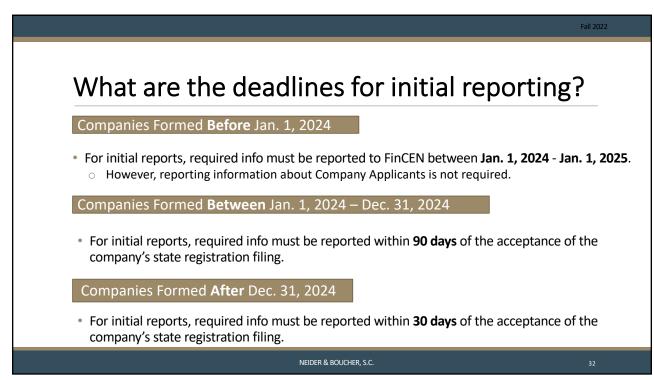
Company Applicants and Deadlines for Initial

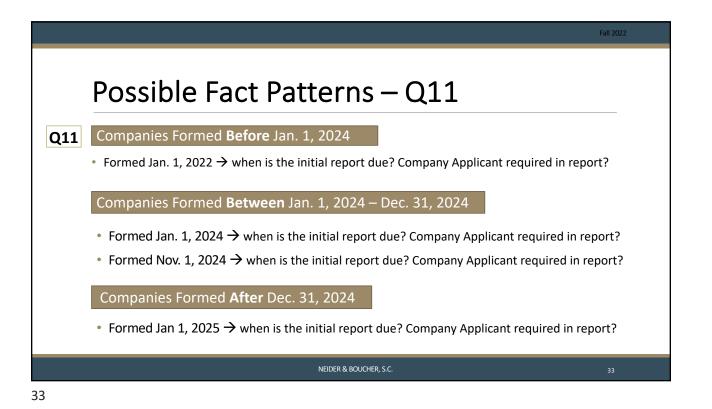
Scenario Considering Company Applicants and Deadlines for Initial Reporting

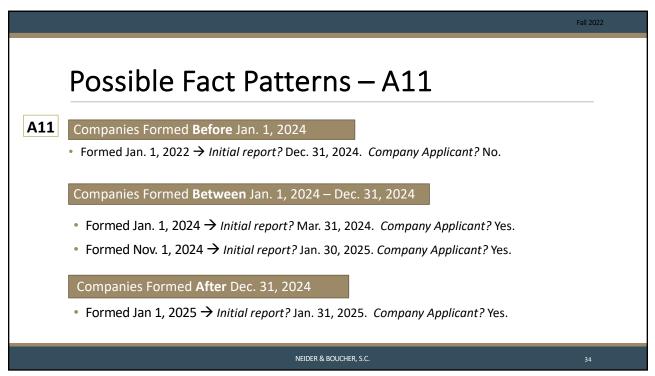
For entities formed after 2023, the reporting must include the **Company Applicant(s)** – the individual or individuals (up to two) that were involved in the process of filing of the incorporation or organization documents that created, organized or registered the entity. For example, the person that filed the Articles of Organization with Wisconsin's DFI to create an LLC.

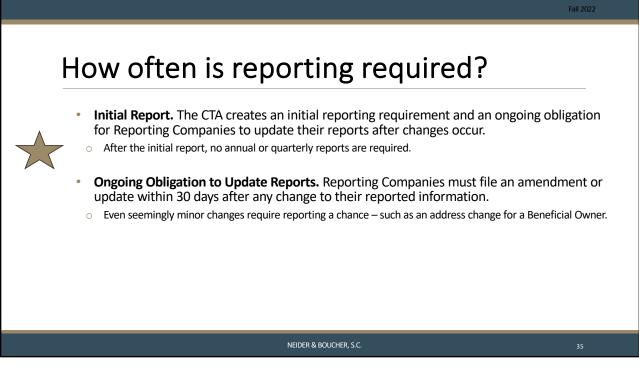
Reporting

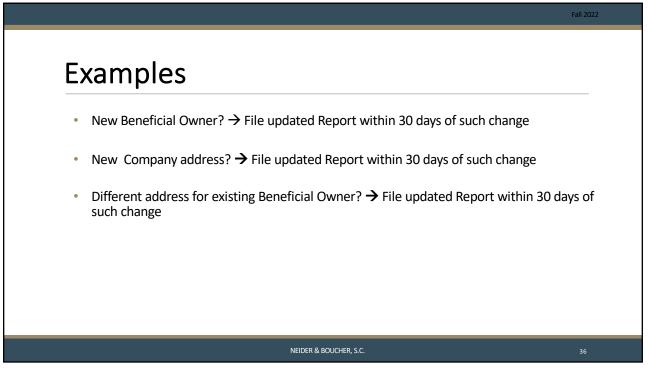


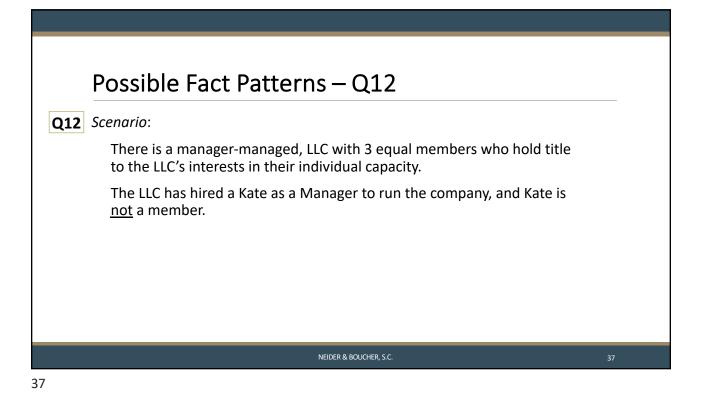


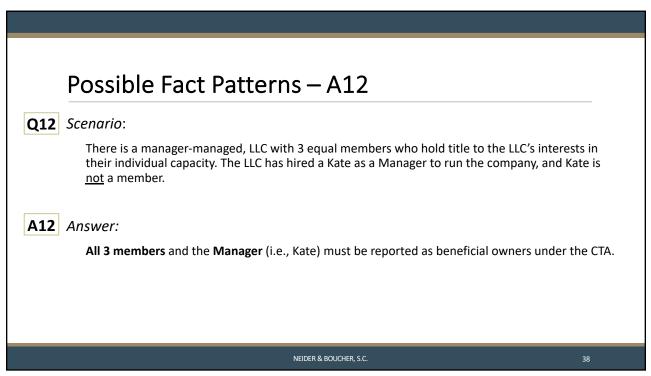


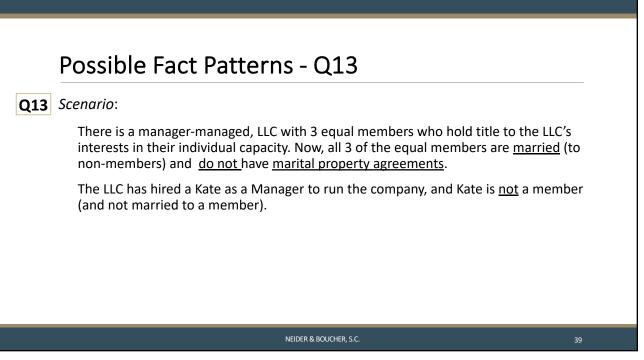


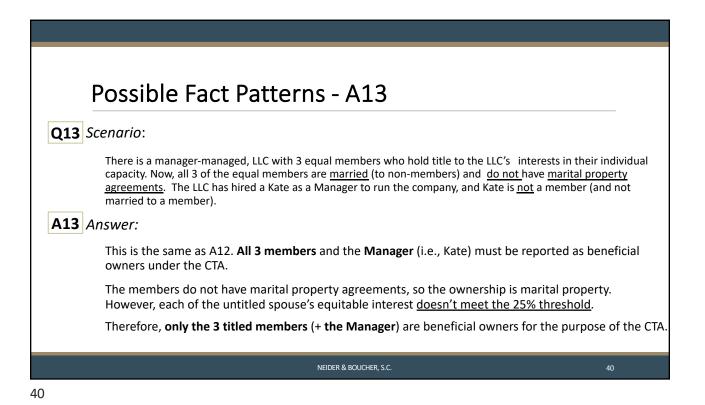


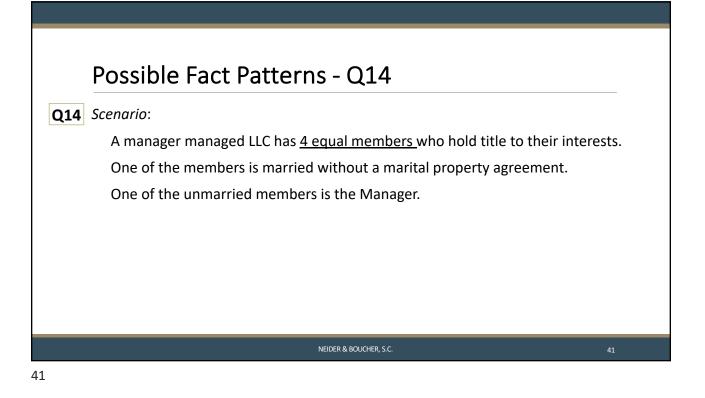


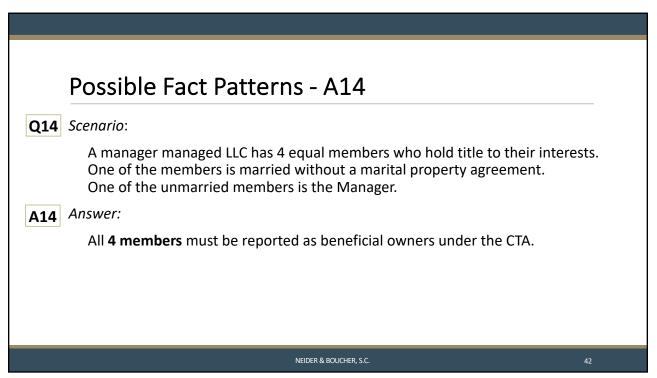












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Possible Fact Patterns - A15 A15 Scenario/Answer: • <u>2 Officers (</u>'senior officers') who are not shareholders \rightarrow <u>YES</u> beneficial owners under the CTA 2 Directors who are not shareholders → YES beneficial owners under the CTA • 5 equal Shareholders \rightarrow NO, not beneficial owners under the CTA Individuals with the power to direct, determine or have **substantial influence** over the reporting company's, including its business, finances or structure, are beneficial owners for purposes of the CTA, even if they have no ownership interest. Directors do not necessarily have the power to "control" the corporation individually, since the Board acts by majority vote. Thus, being a director, by itself, does not make an individual a beneficial owner under the CTA. If, however, the Board has only one or two Directors, each Director in those circumstances does have control, since the sole Director on a one-person board can unilaterally control, and since each Director's vote on a twoperson Board is a controlling vote. Therefore, here, the two Directors should also be reported as beneficial owners under the CTA. NEIDER & BOUCHER, S.C. 44 44

