

CORPORATE TRANSPARENCY ACT REINSTATED WITH NEW REPORTING DEADLINES

On December 23, 2024, the U.S. Court of Appeals for the Fifth Circuit stayed a preliminary injunction of the Corporate Transparency Act. As a result, the U.S. federal government is again able to enforce the CTA, which includes the reporting of beneficial ownership information. Shortly after the Fifth Circuit issued the stay, the [U.S. Financial Crimes Enforcement Network](#) extended the filing deadlines for certain reporting companies to submit beneficial ownership information. The response to the Fifth Circuit's decision by FinCEN^[1] states in part:

"In light of a December 23, 2024, federal Court of Appeals decision, reporting companies, except as indicated below, are once again required to file beneficial ownership information with FinCEN. However, because the Department of the Treasury recognizes that reporting companies may need additional time to comply given the period when the preliminary injunction had been in effect, we have extended the reporting deadline as follows:

- Reporting companies that were created or registered prior to January 1, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN. (These companies would otherwise have been required to report by January 1, 2025.)*
- Reporting companies created or registered in the United States on or after September 4, 2024 that had a filing deadline between December 3, 2024 and December 23, 2024 have until January 13, 2025 to file their initial beneficial ownership information reports with FinCEN.*
- Reporting companies created or registered in the United States on or after December 3, 2024 and on or before December 23, 2024 have an additional 21 days from their original filing deadline to file their initial beneficial ownership information reports with FinCEN."*

Subject to any further developments, in light of the Fifth Circuit's decision and FinCEN's limited reprieve, reporting companies should gather beneficial ownership information as soon as possible in order to prepare the requisite filings by the updated deadlines.

For additional information or questions related to the CTA, please reach out to a member of the O'Neil Cannon team.

[1] The full alert (and other information related to the CTA and beneficial ownership reporting) is available at <https://fincen.gov/boi>.

SEASON OF GIVING

In the spirit of the holiday season, the attorneys and staff at O'Neil Cannon once again held a holiday donation drive. This year, the firm collected items and monetary donations for **Milwaukee Habitat for Humanity**. Habitat for Humanity is a global nonprofit housing organization working in local communities across all 50 states in the U.S. and in approximately 70 countries. Milwaukee Habitat for Humanity works toward a world where everyone has a decent place to live, helping families become first-time homebuyers and making critical home repairs affordable for existing homeowners. Since its founding in 1984, Milwaukee Habitat for Humanity has helped nearly 1,500 local families build or repair their home.

REMINDER: WISCONSIN ELECTRIC VEHICLE CHARGING STATION EXCISE TAX AND REGISTRATION REQUIREMENTS BEGIN JANUARY 1, 2025

Beginning January 1, 2025, Wisconsin will implement a new excise tax on electric vehicle (EV) charging stations under 2023 Wisconsin Act 121. If your business owns, operates, manages, or leases EV charging stations, here's what you should know:

Who Must Register: Any business delivering electricity through EV charging stations must register with the Wisconsin Department of Revenue using the Online Business Tax Registration system. This requirement applies regardless of whether:

- The charging station is open to the public or for private use.
- A fee is charged for the electricity.

Residential EV charging stations are exempt, except for those located at hotels.

Excise Tax Details:

- A 3-cent per kilowatt-hour tax applies to electricity delivered by:
 - Level 3 chargers.
 - Level 1 or Level 2 chargers installed on or after March 22, 2024.
- Exemptions:
 - Chargers installed before March 22, 2024.

- Residential chargers (except those at hotels).

Filing and Payment Requirements: Registered businesses must file returns biannually, with reporting periods ending June 30 and December 31. Returns and payments are due by July 31 and January 31, respectively. Late filings or payments may result in penalties, interest, or other legal consequences.

Penalties for Non-Compliance: Failure to register, file returns, or pay the tax can result in severe penalties, including fines, interest, and possible legal action. Compliance is critical to avoid disruptions to your operations.

For more details, refer to [Wisconsin Department of Revenue Publication 305](#), or contact us, the [O'Neil Cannon Tax Team](#), for guidance tailored to your business.

LAING WINS INAUGURAL FIRM POOL TOURNAMENT

Making good use of the recent office renovations at O'Neil Cannon, the firm organized a pool tournament for its employees to break in the pool table in the new café on our upper floor. All 28 participants fought through group play, with the top 14 moving on to a single-elimination round.

Litigation attorney Dean Laing emerged as the champion, beating corporate attorney Pete Faust two out of three games in the tournament final.

While we are all better lawyers and legal professionals than we are pool players, we still enjoy a chance to flex different muscles and mingle with our colleagues with some friendly competition. Laughter, cheers, and good-natured banter brightened the café and the halls as the tournament progressed.

The whole firm was invited to watch Laing, the past president of the firm, edge Faust, the current president of the firm, for the coveted title of inaugural champion.



CORPORATE TRANSPARENCY ACT INJUNCTION ALERT

On December 3, 2024, the U.S. District Court for the Eastern District of Texas granted a preliminary, nationwide injunction enjoining the United States federal government from enforcing the Corporate Transparency Act (“CTA”), which includes the reporting of beneficial ownership information (“BOI Report”) to the U.S. Federal Crimes Enforcement Network (“FinCEN”). The court’s reasoning revolved around the constitutionality of the CTA. The immediate impact is that companies are, at least temporarily, no longer required to file a BOI Report with FinCEN. Prior to this temporary injunction, the deadline for companies subject to the CTA filing requirements that formed prior to January 1, 2024 to file a BOI Report with FinCEN was January 1, 2025 (companies subject to the CTA filing requirements that were formed in 2024 previously had to file a BOI Report with FinCEN within 90 days of their formation, and companies subject to the CTA filing requirements that are formed on or after January 1, 2025 would have been required to file a BOI Report within 30 days of their formation).

Although the current injunction is nationwide (meaning all companies subject to the CTA filing requirements no longer have to file a BOI Report), because of the nature of the temporary injunction, it is entirely possible that the United States government may choose to appeal the preliminary injunction to the U.S. Court of Appeals for the Fifth Circuit, or potentially to the United States Supreme Court. If an emergency appeal is filed and heard, it is possible that the injunction will be removed and that all companies subject to the CTA filing requirements will again be required to report with no guarantee of any extension of the applicable deadlines. Additionally, it is also possible that an appeals court could remove the nationwide injunction and only leave it applicable to the specific plaintiffs, similar to the March 2024 ruling issued by the U.S. District Court for the Northern District of Alabama in *NSBA v Yellen*,

which enjoined the government from enforcing the CTA against only the specific plaintiffs in that case. Furthermore, as of this writing, FinCEN has not issued a formal response regarding the injunction, which may provide further detail for reporting deadlines or other additional guidance, although FinCEN is currently still accepting BOI Reports. The rapidly approaching deadline coupled with the uncertainty as to whether the government will appeal or not (and if an appeal is made, what the ultimate ruling will be) puts companies in a difficult position to choose between (1) complying with the CTA and filing a BOI Report by the applicable deadline regardless of the injunction, or (2) waiting until a final determination is made and possibly rushing to file by year end. Please note that if you choose to not file a BOI Report for a company required to comply with the CTA and the injunction is lifted, depending on the timing, we may not be able to file your BOI Report by the new deadline unless the deadline is extended.

O'Neil Cannon will continue to monitor for additional developments. For additional information or questions related to the CTA, please reach out to a member of the O'Neil Cannon team.

FOUNDER DINO ANTONOPOULOS OF ANTONOPOULOS LEGAL GROUP JOINS O'NEIL CANNON

O'Neil Cannon is pleased to announce that [Dino Antonopoulos](#), founder of Antonopoulos Legal Group, is bringing ALG's successful practice to O'Neil Cannon. Antonopoulos, a highly respected attorney known for his client-centered approach and dedication, will be a great addition to O'Neil Cannon's Business and Real Estate Practice Groups.

With almost 20 years in the legal profession, Antonopoulos has built a strong reputation as a corporate and real estate transactional attorney with excellent communication skills, strong client advocacy, and a track record of favorable results. He began his legal career representing closely held businesses and financial institutions in complex commercial litigation and handling high-stakes jury trials involving seven-figure disputes. This foundation in litigation has enriched Antonopoulos's transactional work, particularly in business, real estate, and finance transactions.

At O'Neil Cannon, Antonopoulos will continue representing financial institutions and closely held businesses across a wide range of industries, including manufacturing, distribution, retail, construction, and real estate. In his role as outside general counsel, he provides in-

depth advisory and consulting services, offering strategic and practical solutions tailored to each client's unique challenges. Antonopoulos is committed to upholding the same client-first values he established at ALG and looks forward to collaborating with O'Neil Cannon's team.

IRS INVALIDATES DISCOUNTS USED IN AN FLP FORMED SHORTLY BEFORE DEATH

The recent Tax Court case *Estate of Anne Milner Fields v. Commissioner* underscores the risks involved when transferring assets to a family limited partnership or family limited liability company close to death. Approximately a month before Anne Milner Fields died, her great-nephew and agent under her durable power of attorney transferred \$17 million of assets to an FLP with himself as the general partner. After her death, Anne's estate discounted the FLP value on her estate tax return for lack of control and lack of marketability. The IRS argued that the full asset value should be included in her estate due to retained control and economic benefits. The court agreed, citing Internal Revenue Code § 2036(a), which mandates that transferred assets remain in an estate's gross value if the decedent retains economic benefits or control.

The court rejected claims that the partnership had non-tax motivations, finding insufficient evidence that it was set up for asset management or protection from elder abuse. Additionally, the estate was penalized under § 6662(a) for underreporting its tax liability.

This ruling serves as a reminder that FLPs and LLCs must have legitimate, documented purposes beyond tax reduction to avoid § 2036 inclusion. Furthermore, if the decedent retains control or benefits from transferred assets, their full value may still count in estate tax calculations.

JUDGE BLOCKS DOL INCREASE TO SALARY THRESHOLDS FOR EXEMPT WORKERS

In April 2024, the Department of Labor announced a final rule, entitled *Defining and Delimiting the Exemptions for Executive, Administrative, Professional, Outside Sales, and Computer Executives*, which aimed to increase the salary that employees must be paid, in addition to performing certain job duties, in order to be exempt from the payment of

overtime. That rule had a multi-tiered implementation. First, on July 1, 2024, the salary necessary to qualify as exempt from overtime increased to \$43,888 annually (\$844 weekly). Then, on January 1, 2025, the salary basis was set to increase again to \$58,656 annually (\$1,129 weekly). Thereafter, beginning July 1, 2027, the salary basis threshold was to increase automatically every three years. The final rule also increased the threshold at which employees were considered highly compensated employees under the FLSA.

However, on November 15, 2024, a federal judge in the Eastern District of Texas struck down the final rule, stating that the Department of Labor did not have the authority to raise the salary threshold in the way that it did. The court held that the DOL had raised the salary levels to a point where the duties tests were essentially irrelevant, which was not permitted by the FLSA. Therefore, the entire 2024 rule, including the July 2024 increases, has been eliminated nationwide, and the salary basis test has been reset to the previous level of \$35,568 per year (\$684 per week).

As always, O'Neil Cannon is here for you. We encourage you to reach out with any questions, concerns, or legal issues you may have regarding your labor and employment policies and practices.

WHAT TO EXPECT FOR TAX POLICY IN 2025 AFTER TRUMP'S ELECTION VICTORY

The recent election of Donald Trump as president signals potential changes to the U.S. tax code in 2025. Some anticipated adjustments align with Trump's proposals to extend or expand certain cuts from the Tax Cuts and Jobs Act of 2017, enacted during Trump's first term, as well as new measures aimed at encouraging economic growth and adjusting tax policies for individuals and businesses.

Individual Income Taxes: Lower Rates, Expanded Cuts Individual taxpayers may see a continuation of the lower income tax rates introduced by the TCJA, with support for making these rates permanent beyond their scheduled 2025 expiration. Trump has also proposed doubling the standard deduction, which would reduce taxable income for many households and retain current tax brackets, avoiding a return to higher, pre-2018 rates. Another key component includes the full reinstatement of the State and Local Tax deduction, which has been capped at \$10,000 since the TCJA—an aspect that affected taxpayers in high-tax states.

Capital Gains and Investment Incentives Trump's proposed tax policies may include changes to capital gains taxes as a way to encourage investment. Currently, long-term

capital gains are taxed at 15-20%, based on income. The administration may consider lowering these rates further and could revisit indexing capital gains to inflation, which would allow for an inflation-adjusted basis, potentially reducing taxable gains upon sale.

Corporate Tax Rates and Incentives Corporate tax policy may also be an area of focus, with proposals to reduce the corporate tax rate from 21% to 15% intended to enhance the competitiveness of U.S. businesses internationally. Other potential measures could include deductions or credits targeting manufacturing, research, and domestic investment.

Estate and Wealth Transfer Taxes For estate and wealth transfer taxes, Trump has indicated support for maintaining the higher exemption levels established under the TCJA. Currently, individuals can pass up to \$13.61 million (\$27.22 million for married couples) tax-free, with this exemption increasing to \$13.99 million for individuals and \$27.98 million for married couples in 2025. These exemption levels are set to decrease if the TCJA sunsets at the end of 2025. Keeping these thresholds in place would help limit estate tax liabilities for high-net-worth individuals.

Looking Ahead Trump's tax agenda reflects an approach geared toward a low-tax environment for individuals, investors, and businesses, emphasizing economic growth and domestic investment. Taxpayers should stay informed on policy developments and consult with tax advisors on potential implications for financial planning and business strategies.

The [O'Neil Cannon Tax Team](#) will monitor these developments and provide updates as any proposed tax changes become more concrete. We encourage you to reach out with any questions about how these potential reforms might affect you.

SUPER LAWYERS RECOGNIZES 30 O'NEIL CANNON ATTORNEYS

Each year, *Super Lawyers* surveys the State of Wisconsin's 15,000 attorneys and judges, seeking the State's top attorneys. Recently, *Super Lawyers* published its lists for 2024, which include the Top 10 Attorneys in Wisconsin, Top 50 Attorneys in Wisconsin, Top 25 Attorneys in Milwaukee, Super Lawyers (consisting of the top 5% of attorneys in Wisconsin), and Rising Stars (consisting of attorneys who are 40 years old or younger or who have been in practice for 10 years or less).

Thirty of our attorneys were recognized by *Super Lawyers*, which has referred to the firm as "the Milwaukee mid-sized powerhouse." Those attorneys are the following:

- Emily Behn:
 - Rising Star
- Nick Chmurski:
 - Rising Star
- Doug Dehler:
 - Super Lawyer
- Jim DeJong:
 - Super Lawyer
- Seth Dizard:
 - Top 50 Attorneys in Wisconsin
 - Top 25 Attorneys in Milwaukee
 - Super Lawyer
- Pete Faust:
 - Top 50 Attorneys in Wisconsin
 - Top 25 Attorneys in Milwaukee
 - Super Lawyer
- John Gehringer:
 - Super Lawyer
- Joseph Gumina:
 - Super Lawyer
- Jessica Haskell:
 - Rising Star
- Mike Kennedy:
 - Rising Star
- Grant Killoran:
 - Super Lawyer
- Dean Laing:
 - Top 10 Attorneys in Wisconsin
 - Top 50 Attorneys in Wisconsin
 - Top 25 Attorneys in Milwaukee
 - Super Lawyer
- Trevor Lippman:
 - Rising Star
- Greg Lyons:
 - Super Lawyer
- Patrick McBride:
 - Super Lawyer
- Jason Meehan:
 - Rising Star
- Brittany Morrison:
 - Rising Star
- Joe Newbold:
 - Super Lawyer
- Erica Reib:
 - Rising Star
- Chad Richter:
 - Super Lawyer

- Ryan Riebe:
 - Rising Star
- John Schreiber:
 - Super Lawyer
- Jason Scoby:
 - Super Lawyer
- Steve Slawinski:
 - Super Lawyer
- Kelly Spott:
 - Rising Star
- Christa Wittenberg:
 - Rising Star

Super Lawyers is a national rating service that rates attorneys in all 50 states. The selection process utilized by *Super Lawyers* is multi-phased and includes independent research, peer nominations, and peer evaluations. One court recently had this to say about *Super Lawyers*:

“[T]he selection procedures employed by [*Super Lawyers*] are very sophisticated, comprehensive, and complex. It is abundantly clear . . . that [*Super Lawyers* does] not permit a lawyer to buy one’s way onto the list, nor is there any requirement for the purchase of any product for inclusion in the lists or any quid pro quo of any kind or nature associated with the evaluation and listing of an attorney or in the subsequent advertising of one’s inclusion in the lists.”

We are proud to be one of the few firms in Wisconsin that had more than 50% of its attorneys receive recognition by *Super Lawyers*.