

Memorandum

Estate Planning Update

December 22, 2025

Required New York LLC Transparency Act Filings Begin in January

Beginning in January, the New York LLC Transparency Act (“NY LLC Act”) requires certain LLCs formed in New York on or after January 1, 2026 and LLCs formed out of state but registered to do business in New York on or after January 1, 2026 to report beneficial ownership information to the New York Department of State within thirty days of making such formation or registration filing. LLCs formed or registered to do business in New York prior to January 1, 2026 have until January 1, 2027 to file. The NY LLC Act was intended to mirror the federal Corporate Transparency Act (the “CTA”), but following New York’s enactment of the NY LLC Act, the CTA was narrowed so that it only applies to foreign entities that have registered in the United States. The New York State Senate and Assembly attempted to amend the NY LLC Act to decouple from the federal regime and cover all LLCs formed or registered to do business in New York, but Governor Hochul vetoed the amendment on Friday, December 19th. For the time being, the NY LLC Act only requires beneficial ownership reporting from foreign LLCs registered to do business in New York (and which are not otherwise excluded or exempted under the NY LLC Act). As of the date of this client alert, there is no form or procedure for making the filing.

Year-End Charitable Gifting

There is still time to make additional charitable gifts in 2025. Those who generally make charitable gifts may wish to front-load planned charitable gifts into 2025, ahead of the changes in the One Big Beautiful Bill Act (the “OBBBA”) that take effect next year. Two key OBBBA provisions will impact charitable deductions starting in 2026:

1. **Deduction Floor**—Individual taxpayers who itemize deductions will only be eligible to deduct charitable contributions that exceed 0.5% of their adjusted gross income (“AGI”). For example, an individual taxpayer with an AGI of \$1,000,000 will only be able to deduct charitable gifts in excess of \$5,000. Under current law, itemized charitable deductions are available for all qualified contributions. The deduction floor will apply to individual taxpayers but not to trust taxpayers.
2. **Cap on Deduction Value**—The value of itemized deductions, including deductions for charitable contributions, will be capped at 35%. This means that taxpayers in the top 37% marginal tax bracket who itemize deductions will see the benefit of their charitable deductions reduced—a \$1,000 charitable contribution, for instance, will result in a \$350 deduction rather than the current \$370 deduction. The deduction cap will apply to both individual and trust taxpayers.

Given these impending changes, you might consider contributing to a donor-advised fund (“DAF”) or a private foundation this year, which enables immediate tax deductions for contributions made in 2025 while allowing flexibility to recommend or make grants to charities in future years. In addition, keep in mind the continued tax advantages of donating appreciated assets to charity. These donations can provide the same charitable deduction as cash donations while avoiding capital gains tax. However, deductions for gifts of appreciated assets to a public charity (including a DAF) are limited to 30% of AGI, whereas deductions for gifts of cash to a public charity (including a DAF) have a higher cap of 60% of AGI. These limitations are adjusted to 20% of AGI and 30% of AGI, respectively, with respect to gifts to private foundations. Gifts of assets other than qualified appreciated stock and cash to private foundations are generally limited to basis.

To the extent charitable gifts are made after December 31, 2025, consolidating several years of planned charitable gifts into a single year will help maximize deductibility for itemizers in light of the 0.5% floor.

Additional Estate Planning News

Starting January 1, 2026, the federal lifetime gift and estate tax exemption, as well as the generation-skipping transfer tax exemption, is set to increase from \$13.99 million per person to \$15 million per person, and the annual exclusion for gifts will remain at \$19,000. In other words, beginning in 2026 (and subject to future adjustments for inflation), you can transfer up to \$15 million tax-free during life or at death (or \$30 million if you are married and you treat your gifts as split gifts) and you can transfer \$19,000 each year to any individual without paying federal gift tax (or \$38,000 if you are married and you treat your gifts as split gifts). Individual states may have their own gift and estate taxes with different transfer tax exemptions (for example, New York State does not impose a gift tax on transfers during life, with the exception of gifts made within three years of death for those dying prior to January 1, 2032, but does impose an estate tax at death, with an exemption of \$7.35 million for the 2026 calendar year).

If you have any questions regarding charitable giving, the NY LLC Act, or otherwise, please reach out to one of the attorneys in the [Personal Planning Practice](#).

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