

Memorandum

The New York LLC Transparency Act Will Become Effective on January 1, 2026, With a Limited Scope

December 23, 2025

Executive Summary

Despite continued uncertainty regarding practical compliance and reporting mechanics, the New York LLC Transparency Act (the “LLCTA”), originally signed in December 2023, is scheduled to become effective on January 1, 2026. On December 19, 2025, New York Governor Kathy Hochul vetoed a bill (the “Proposed Amendment”) that would have made the LLCTA broader and more expansive than the federal Corporate Transparency Act (the “CTA”), codified at 31 U.S.C. § 5336. The Proposed Amendment would have defined certain key terms in a way that would have made clear that the LLCTA applies to both domestic and foreign LLCs registered to do business in New York. However, due to Governor Hochul’s veto, the LLCTA will continue to mirror the scope of the CTA, and its reporting obligations will, for the time being, only apply to LLCs formed outside the U.S. that are registered to do business in New York.

The LLCTA as Enacted

As discussed in a [previous alert](#), as originally enacted—and in its current form—the LLCTA incorporates certain key defined terms of the federal CTA. Of particular relevance, the LLCTA defines the terms “beneficial owners”, “control persons”, and “exempt company” by reference to those definitions used in the CTA. Therefore, prior to changes in the regulations issued pursuant to the CTA, the LLCTA would have required certain LLCs that are formed or registered to do business in New York—including foreign LLCs that are registered to do business in New York—to file an annual statement with the New York Department of State. This annual statement must be filed by all non-exempt LLCs, and it must disclose or confirm either an LLC’s beneficial ownership information or its status as exempt from the LLCTA’s beneficial ownership reporting requirements.

Interim Changes to the Federal CTA Regime and Related New York Lawmaking Efforts

As noted in our [prior client alert](#), earlier this year, the U.S. Treasury Department significantly narrowed the scope of the CTA by changing key definitions in such a way that the reporting obligations under the CTA now only apply to certain companies formed outside of the United States that are registered to do business in one or more U.S. states or territories or the District of Columbia. In an effort to restore the scope of the LLCTA, in June 2025, the New York legislature passed a bill that would replace the LLCTA’s references to the CTA with in-text definitions that mirror the text of the original CTA statute with stated intent of “inoculat[ing] the [LLCTA] from shifting

federal guidelines or attempts to repeal the CTA.” However, Governor Hochul—who originally supported the LLCTA—vetoed the Proposed Amendment on December 19, 2025. Therefore, unless there are further regulatory changes to the CTA (either through regulation or statutory amendment), for the time being, the LLCTA will only apply to foreign (*i.e.*, non-U.S.) LLCs registered to do business in New York.

Practical Consequences and Deadlines and Anticipated Guidance

Therefore, companies should prepare for the LLCTA to go into effect as currently written, meaning only foreign-formed entities will be in-scope on January 1, 2026. Fortunately, no filings will be due immediately upon the LLCTA’s January 1, 2026, effective date. Instead, covered entities formed or registered in New York before January 1, 2026, must file before January 1, 2027, and entities formed or registered on or after January 1, 2026, have 30 days to file from the date of formation or registration. We expect the New York Department of State will issue formal guidance regarding the practical mechanics of filing required reports within the month. As of the date of this client alert, such guidance has not yet been published.

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