

New York LLC Transparency Act Enacted ... Again

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On March 1, New York Governor Kathy Hochul signed a new version of the New York LLC Transparency Act (NYLTA) into law, repealing the [original version enacted in December 2023](#). The new NYLTA pushes back the law's effective date to January 1, 2026 (from January 1, 2025). The NYLTA's application is the same — namely that all limited liability companies (LLCs) formed under New York law, or formed outside of New York that are seeking authorization to do business in New York, will be required to electronically file certain beneficial ownership information with the New York Department of State (NY DOS), or provide an attestation of an applicable exemption from reporting. LLCs formed or authorized to do business in New York before January 1, 2026, will have until January 1, 2027 to make their initial filings, and those formed or authorized to do business in New York after January 1, 2026 will have 30 days from formation or authorization to comply with the new reporting requirements.

The amended version of the NYLTA closely tracks the prior version signed into law by Governor Hochul at the end of last year and continues to be modeled after the federal Corporate Transparency Act (CTA) that became effective at the beginning of this year. The NYLTA maintains the same 23 reporting exemptions found in the CTA. Moreover, access to the beneficial ownership information will still be maintained by the NY DOS in a secure, confidential internal database that will be accessible to law enforcement throughout the state, by court order, or by voluntary consent of a beneficial owner. LLCs will also be required to annually confirm or update their initial beneficial ownership information or attestation of exemption with the NY DOS. Failure to comply with the beneficial ownership reporting requirements can result in a suspension from conducting business in the state, dissolution of the LLC, and/or fines up to \$500 for each day an LLC is past due or delinquent in its filings.

Currently, New York is the only state to have enacted a beneficial ownership reporting requirement. However, both California and Massachusetts have proposed similar legislation, and more states may follow suit. Therefore, it is important for companies to stay current with respect to beneficial ownership reporting laws of their relevant jurisdictions.

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