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HERE WE GO AGAIN: NEW YORK ENACTS CORPORATE TRANSPARENCY ACT FOR LIMITED LIABILITY COMPANIES

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As we have previously reported, the federal Corporate Transparency Act (CTA) was the subject of numerous court challenges and policy reversals that resulted in the act being inapplicable to most domestic corporate entities. The State of New York has now joined the movement toward requiring additional corporate disclosure, with the New York Limited Liability Company Transparency Act (“NYLLCTA”) taking effect on January 1, 2026. Unlike the CTA, the NYLLCTA’s reporting obligations only apply to limited liability companies (“LLCs”) that are either formed in New York or formed in another state and registered to do business in New York.

Subject to exemptions that are incorporated by reference from the CTA, LLCs that are formed or qualified to do business in New York on or after January 1, 2026 have 30 days from the date of formation or registration to file beneficial owner information (“BOI”) with the New York Department of State (“NY DOS”). LLCs that were formed or qualified to do business in New York before January 1, 2026 have until December 31, 2026 to file the required BOI. Unlike the CTA, LLCs that are exempt from filing BOI must file with the NY DOS an attestation of exemption detailing the claimed exemption and the facts on which such exemption is based. Exempt and non-exempt LLCs must also file an annual statement to the NY DOS confirming or updating certain information. The NYLLCTA provides for fines of up to \$500/day for failure to file BOI and possible suspension from the conduct of business in New York State for non-compliant reporting companies.

While the NYLLCTA incorporates the CTA by reference, it is unclear if New York will provide its own, possibly different, interpretive guidance. There are other uncertainties involved with the act, including the failure to release the form of beneficial ownership report and that the electronic reporting portal for BOI has not yet been launched.

At this time, we recommend clients determine whether their LLCs formed or registered to do business in New York are subject to the NYLLCTA, identify beneficial owners and begin to gather BOI information.

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