

CORPORATE LAW ALERT

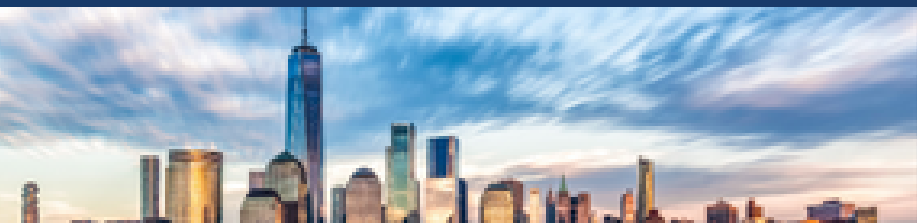
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Governor Hochul Rejects Proposed Amendments to the New York LLC Transparency Act

Owners and controlling persons of limited liability companies (“LLCs”) organized in the United States can breathe a sigh of relief. On December 19, 2025, Governor Kathy Hochul vetoed a proposed amendment to the New York LLC Transparency Act (“NYLTA”) that would have imposed beneficial ownership reporting requirements on LLCs organized in New York, as well as those organized in other states and qualified to do business in New York.

As a result, when the NYLTA goes into effect on January 1, 2026, the reporting requirement will apply only to foreign entities - i.e., those formed outside the United States - that are qualified to conduct business in New York.

Background:

As discussed in previous RMF Law Alerts (see [here](#), [here](#) and [here](#)), the NYLTA is patterned after the federal Corporate Transparency Act (“CTA”). In its original form, the NYLTA required LLCs formed under New York law or registered to do business in New York to file either (i) a beneficial ownership information (“BOI”) disclosure report or (ii) an attestation of exemption with the New York Department of State. Initially, the NYLTA cross-referenced certain definitions in the CTA; however, such CTA references were later removed or modified, which resulted in logical inconsistencies in the applicability of the NYLTA.

In June 2025, the New York Legislature proposed amendments to the NYLTA intended to eliminate several logical inconsistencies and ambiguities created by the statute’s reliance on the now-modified CTA. Senate Bill 8432 sought to decouple the NYLTA from certain CTA definitions, including “beneficial owner,” “reporting company,” and various exemptions from reporting requirements. The proposed amendments would have established independent state-law definitions rather than continuing to rely on federal standards.

Although Senate Bill 8432 was widely expected to be signed into law before the NYLTA’s January 1, 2026 effective date, Governor Hochul vetoed the bill on December 19, 2025. In her veto memorandum (see [here](#)), the Governor explained that the proposed amendments “would create a mandate for businesses in New York that is not required under federal law.” She further noted that while the Legislature’s goal of ensuring accurate and timely BOI reporting was understandable, “imposing additional requirements on LLCs is not in the interest of New York State.”

Conclusion:

As a result of the Governor’s rejection of Senate Bill 8432, the NYLTA will continue to incorporate the federal definitions from the CTA. The current federal standards do not require domestic reporting. Therefore, when the NYLTA goes into effect on January 1, 2026, it will apply solely to LLCs formed under the laws of a foreign country that are authorized to do business in New York.

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