

CLIENT ALERT

Gov. Hochul Vetoes Bill, Largely Neutering Implementation of NY LLC Transparency Act

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On December 19, 2025, Governor Kathy Hochul vetoed S.8432/A.8662-A, an amendment that would have decoupled New York's Limited Liability Company Transparency Act¹ ("NY LLCTA") from the federal Corporate Transparency Act ("CTA") definitions and broadened the NY LLCTA's reach to all limited liability companies organized or registered to do business in New York, unless otherwise exempt.² As a result, although the NY LLCTA will still take effect on January 1, 2026, it remains tethered to current federal regulations, which were significantly narrowed to apply only to foreign entities.

The Federal CTA Background

The federal CTA backdrop is critical to understanding the proposed bill and the impact of the Governor's veto. After various challenges to the CTA, on March 21, 2025, the Financial Crimes Enforcement Network ("FinCEN") issued an interim final rule to dramatically curtail the CTA, limiting its requirements to only "foreign reporting companies"

¹ New York Limited Liability Company Transparency Act, 2024 N.Y. Laws ch.102 (S.8059) (eff. Jan. 1, 2026), available [here](#).

² S. 8432, 2025–2026 Leg., Reg. Sess. (N.Y. 2025) (vetoed Dec. 19, 2025) (Veto Message No. 164), available [here](#).

that register to conduct business in the United States.³ Since the NY LLCTA incorporated certain defined terms and other provisions of the CTA, the reporting requirements under the NY LLCTA would have been similarly limited; S.8432/A.8662-A was designed to fix this, by delinking these definitions so that the requirements would apply to all limited liability companies organized or registered to do business in New York.

Immediate Implications

- The NY LLCTA will take effect on January 1, 2026, but as its scope remains aligned to current federal definitions, it is limited to foreign (i.e., non-U.S.) limited liability companies authorized to do business in New York.
- Existing foreign LLCs authorized to do business in New York before January 1, 2026 must file initial reports by January 1, 2027; foreign LLCs authorized to do business in New York on or after January 1, 2026 must file within 30 days of authorization.⁴ The New York database will be non-public, with access limited to government and law-enforcement purposes.
- However, we expect few entities to file, as almost all foreign companies with U.S. operations operate through a U.S.-formed subsidiary, rather than a foreign LLC authorized to do business in New York. Organizing such a U.S. subsidiary can avoid NY LLCTA coverage.

If you have any questions regarding this client alert, please contact the following attorneys or the Willkie attorney with whom you regularly work.

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³ For more information on the CTA, see our previous client alerts available [here](#) and [here](#).

⁴ To date, the New York Department of State has not issued any guidance regarding the filing of beneficial ownership reports by the now relatively few foreign LLCs still required to file.