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New Yorks LLC Transparency Act to Take Effect in 2026

Legal Alert

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New Yorks recently adopted the LLC Transparency Act (the **NY Act**), which takes effect on January 1, 2026.

The Act is similar in scope to the Federal Corporate Transparency Act (**CTA**) before the CTAs scope was reduced (refer to our prior CTA updates for details: https://www.flastergreenberg.com/newsroom-alerts-cta-updates-2025.html), but there are several key differences of which you should be aware.

Applicability

The NY Act requires all (and only) limited liability companies (**LLCs**) that are either (i) formed in New York or (ii) formed outside New York and are authorized to do business in New York to register with the New York Department of State. This registration requires LLCs to report their beneficial ownership information in a report (**BOI Report**). Beneficial ownership information refers to the name, date of birth, address, and photo ID of each person considered a **Beneficial Owner** of the LLC. A Beneficial Owner is an individual that either (i) owns or controls at least 25% of the LLC or (ii) exercises substantial control over the LLC.

Please note that the NY Act only applies to LLCs. Other entities, such as corporations or partnerships, are not required to file a BOI Report or take any other action.

The NY Act includes the same 23 exemptions from applicability as the CTA, but unlike the CTA, each exempt LLC must make a timely filing indicating that they are exempt.

Time for Filing

LLCs formed in New York or requesting authorization to do business in New York *after* January 1, 2026, must file their BOI Report within 30 days of formation or authorization.

LLCs that were formed or requesting authorization to do business *before* January 1, 2026, must file their BOI Report by December 31, 2026.

After an LLC files its initial BOI Report, it is required to annually file a BOI Report, regardless of whether any changes to the reported information have occurred. Unlike the CTA, the NY Act does not require LLCs to file updates each time any previously reported information changes, including any changes to the beneficial ownership information. All changes must be reported in the annual filing.

Please note that the annual BOI Report does not replace the Biennial Statements currently required by New York and will be a separate filing.

Penalties

Penalties for non-compliance with the NY Act include:

- Fines of $500 per day.
- Suspension of the ability to legally conduct activity in New York.

Implementation

As of the date of this Legal Alert, New York has not adopted rules to implement the NY Act. No filing portal has been created to complete any BOI Reports. Also, no information has been provided as to whether New York will create a state-equivalent of a FinCEN ID, which would allow frequent reporters of BOI to create a digital identification number that limits the number of locations their BOI needs to be updated.

Additionally, on July 17, 2025, the New York legislature passed a bill that would substantially amend the NY Act, but it remains unsigned by the governor and those changes have not gone into effect. Unless New York offers future updates, the unamended NY Act discussed in this alert will go into effect on January 1, 2026 with no process in place to comply.

Conclusion

Flaster Greenberg attorneys continue to monitor the legislative and rulemaking process surrounding the NY Act and are prepared to assist you and your business. Please contact Mariel Giletto, Anthony Gruzdis, or any attorney in Flaster Greenbergs Business & Corporate Department to discuss how we can help determine whether the NY Act applies to you or your organization and, if necessary, comply with the NY Act.

ATTORNEYS MENTIONED

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