



MEMO OF SUPPORT

[A8662-A \(Gallagher\) / S8432 \(Hoylman-Sigal\)](#)

*Protects NY's LLC Transparency Act from being undermined
by federal changes*

June 11, 2025

TITLE OF BILL

An act to amend the limited liability company law, in relation to the scope of certain provisions relating to beneficial owners of limited liability companies.

STATEMENT OF SUPPORT

Reinvent Albany strongly supports this bill because it ensures that the disclosure requirements in the New York State LLC Transparency Act (LLCTA) are viable despite the weakening of the federal Corporate Transparency Act (CTA) which the state's law refers to.

The LLCTA directly references definitions in federal law that are key to enforcement. Unfortunately, the federal Treasury Department [announced](#) in March that it would only enforce the provisions of the CTA that apply to LLCs owned by foreign entities. Given the number of LLCs in the US owned by Americans, this drastically reduces the scope of the law.

Because NY's law refers to federal code that the US government no longer enforces, some law firms [have argued](#) that the LLCTA may now only apply to foreign entities. There's no telling how the courts will respond to this argument. That is why the state must update its law to protect the LLCTA. We urge the Legislature to pass the bill, and the Governor to sign it.

SUMMARY OF PROVISIONS

Section 1 inserts into Limited Liability Corporation Law §1106(a)(b)(c) the definitions in U.S. Code §5336(a) for "beneficial owner," "reporting company," and "exempt company."

Section 2 states that the bill takes effect immediately, except for the provisions of the original law not yet scheduled to take effect.