# STATE OF NEW YORK

10357

# IN ASSEMBLY

May 13, 2022

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Gallagher) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to the disclosure of beneficial owners of limited liability companies and certain other business entities

**The People of the State of New York, represented in Senate and Assembly, do enact as follows:**

Section 1. Paragraph 2 of subdivision (a) of section 1409 of the tax law, as amended by section 3 of part O of chapter 59 of the laws of 2021, is amended to read as follows:

(2) When the grantor or grantee of a deed for a building used as residential real property [~~containing up to four family dwelling units~~] is a limited liability company, the joint return shall not be accepted for filing unless it is accompanied by a document which identifies the [~~names and business addresses of all members, managers, and any other authorized persons, if any, of such limited liability company and the names and business addresses or, if none, the business addresses of all shareholders, directors, officers, members, managers and partners of any limited liability company or other business entity that are to be the members, managers or authorized persons, if any, of such limited liability company. The identification of such names and addresses shall not be deemed an unwarranted invasion of personal privacy pursuant to article six of the public officers law. If any such member, manager or authorized person of the limited liability company is itself a limited liability company or other business entity other than a publicly traded entity, a REIT, a UPREIT, or a mutual fund, the names and addresses of the shareholders, directors, officers, members, managers and partners of the limited liability company or other business entity shall also be disclosed until full disclosure of ultimate ownership by natural persons is achieved~~] **beneficial owners of such limited liability company**. For purposes of this subdivision, the terms [~~"members", "managers", "authorized person",~~] **"beneficial owners" and** "limited liability company" [~~and "other business entity"~~] shall have the same meaning as those terms are defined in section one hundred two of the limited liability company law.

EXPLANATION--Matter in ***italics*** (underscored) is new; matter in brackets [-] is old law to be omitted.

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§ 2. Subdivision h of section 11-2105 of the administrative code of the city of New York, as added by chapter 297 of the laws of 2019, is amended to read as follows:

h. When the grantor or grantee of a deed for residential real property [~~containing one- to four-family dwelling units~~] is a limited liability company, the joint return shall not be accepted for filing unless it is accompanied by a document which identifies the [~~names and business addresses of all members, managers, and any other authorized persons, if any, of such limited liability company and the names and business addresses or, if none, the business addresses of all shareholders, directors, officers, members, managers and partners of any limited liability company or other business entity that are to be the members, managers or authorized persons, if any, of such limited liability company. The identification of such names and addresses shall not be deemed an unwarranted invasion of personal privacy pursuant to article six of the public officers law. If any such member, manager or authorized person of the limited liability company is itself a limited liability company or other business entity, the names and addresses of the shareholders, directors, officers, members, managers and partners of the limited liability company or other business entity shall also be disclosed until full disclosure of ultimate ownership by natural persons is achieved~~] **beneficial owners of such limited liability company**. For purposes of this subdivision, the terms [~~"members", "managers", "authorized person",~~] **"beneficial owners" and** "limited liability company" [~~and "other business entity"~~] shall have the same meaning as those terms are defined in section one hundred two of the limited liability company law.

§ 3. Subdivision (h) of section 1418 of the tax law, as amended by section 4 of part O of chapter 59 of the laws of 2021, is amended to read as follows:

(h) Notwithstanding the provisions of subdivision (a) of this section, the commissioner may furnish information relating to real property transfers obtained or derived from returns filed pursuant to this article in relation to the real estate transfer tax, to the extent that such information is also required to be reported to the commissioner by section three hundred thirty-three of the real property law and section five hundred seventy-four of the real property tax law and the rules adopted thereunder, provided such information was collected through a combined process established pursuant to an agreement entered into with the commissioner pursuant to [~~paragraph viii of~~] subdivision one-e of section three hundred thirty-three of the real property law. The commissioner may redisclose such information to the extent authorized by section five hundred seventy-four of the real property tax law. [~~The commissioner may also disclose any information reported pursuant to paragraph two of subdivision (a) of section fourteen hundred nine of this article.~~]

§ 4. Section 1418 of the tax law is amended by adding a new subdivision (j) to read as follows:

**(j) Notwithstanding the provisions of subdivision (a) of this section, the commissioner or any officer or employee of the department of taxation and finance may furnish to the department of state information relating to beneficial ownership that is obtained or derived from returns filed pursuant to this article.**

§ 5. The tax law is amended by adding a new section 171-x to read as follows:

**§ 171-x. Information sharing with the department of state regarding beneficial owners of limited liability companies. Notwithstanding any**

other law, the commissioner shall release to the department of state information regarding beneficial owners of limited liability companies which is reported to the department either on a form issued by the department or any other method of report to the department. For purposes of this section, the terms "beneficial owners" and "limited liability company" shall have the same meaning as those terms are defined in section one hundred two of the limited liability company law.

§ 6. Section 211 of the tax law is amended by adding a new subdivision 2-b to read as follows:

2-b. (a) The commissioner shall prescribe regulations and instructions requiring returns of information to be made and filed in conjunction with the reports required to be filed pursuant to this article, relating to beneficial owners of limited liability companies. For purposes of this section, the terms "beneficial owners" and "limited liability company" shall have the same meaning as those terms are defined in section one hundred two of the limited liability company law.

(b) No report shall be accepted by the department if the information required to be included in the return pursuant to paragraph (a) of this subdivision is not included in such report.

(c) The commissioner, in cooperation with the secretary of state, may verify the beneficial ownership information included in returns pursuant to this subdivision using beneficial ownership information submitted to the department of state pursuant to section two hundred two or eight hundred two of the limited liability company law in order to identify fraud or suspicious activities and may at his or her own discretion refer such fraud to appropriate authorities. The information included in returns pertaining to the names and business addresses of beneficial owners shall be transmitted to the secretary of state to keep beneficial ownership information up to date, including with respect to the business entity database or any subsequent database maintained by the division of corporations within the department of state.

(d) The information required to be included with returns pursuant to this subdivision shall be filed and shall be in such form as the commissioner may prescribe.

§ 7. This act shall take effect on the ninetieth day after a chapter of the laws of 2022 amending the limited liability law relating to the disclosure of beneficial owners of limited liability companies, as proposed in legislative bills numbers S. 8439-A and A. 9415-B, takes effect.