

SB 691 (Yee)
150 Hours

Why is CalCPA advocating a change in the standards for licensing certified public accountants?

The current system for licensing CPAs is out of step with the national standards that have been adopted by 46 other states and this undermines the ability of California businesses to compete. As a result, California consumers are not assured the same level of quality that consumers in other states enjoy and California CPAs face sometimes insurmountable hurdles in representing their clients in other states, for example Nevada.

How does the legislation proposed by CalCPA solve this problem?

SB 691 will bring California standards into line with the national standards used by the vast majority of other states.

How do California's standards differ from those of other states?

Current California law allows two pathways to licensure:

- **Pathway 1**—BA to sit for the Uniform CPA Exam and two years of experience for licensing.
- **Pathway 2**—BA to sit for the Uniform CPA Exam and 150 semester units total and one year of experience prior to licensure.

Only the second pathway meets the national standard.

How would the proposed legislation change CPA licensing?

CalCPA supports sunsetting Pathway 1 effective 2014 so that the next generation of California CPAs will be considered equivalent to CPAs from other states and allowed to represent client's/taxpayer's interests in those states without facing often insurmountable hurdles. All existing CPAs and those licensed before 2014 would be grandfathered in under National Association of State Boards of Accountancy Rules of Substantial Equivalency to ensure that all California taxpayers are represented.

Will bringing the California standards into line with national standards make it more difficult for minorities to become licensed?

Absolutely not. In fact, every major minority accounting group is supporting this proposal because it is so critical to accounting students, CPA candidates and licensed CPAs ability to participate in national—and international—commerce.

How will this affect the supply of CPAs?

Two-thirds of students/CPA candidates already choose Pathway Two that aligns with national standards because they know Pathway One is a professional dead end.