



California
Society
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Accountants

March 12, 2009

TO: Senate Business & Professions Committee
FROM: Bruce C. Allen, Director, Government Relations
RE: SB 691 (Yee) CPA Education 150 Hours Support

SB 691 would conform California's CPA education/licensing laws to those of 46, soon to be 48 other states. Without conforming, California consumers are not assured the same level of service that consumers in other states enjoy and California CPAs may face insurmountable hurdles in representing their clients in other states.

As a result, 75,000 licensed California CPA's could have their ability to practice in other states either limited or eliminated. This would not only impact California consumers, who rely on California CPA's, it would also place California CPA's at a competitive disadvantage with out-of-state practitioners.

The problem is already at hand as some states already bar or limit California CPA's from representing their client's interests in their state.

How does SB 691 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 Pathway 2 meets the national standard.

How would SB 691 change CPA licensing?

SB 691 would sunset 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. 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.

3/12/09