

## California Counts on California CPAs

### CalCPA Members are Rooted in California

CalCPA members are your local CPAs. We dedicate our time and talents to support the communities where we live and work. We do this because CalCPA members are more than just CPAs—we are California CPAs. We believe it is our civic duty to invest in the future of our state by directly engaging with our shared community.

This packet outlines some of the key issues CalCPA is working on in early 2021. Should you have any questions on these, or other issues that emerge, please reach out to CalCPA's Government Relations staff. You can reach them at (916) 441-5351 or [CalCPAGR@calcpa.org](mailto:CalCPAGR@calcpa.org)

Thank you for the opportunity to meet and we look forward to working together.

### Conformity to Federal Tax Treatment of Paycheck Protection Program (PPP) Loans

Recent federal legislation clarified federal tax rules related to PPP loans. This change rendered California's tax rules for PPP loans out of conformity. If California does not take action to conform, small businesses across the state will face significant tax implications simply because they participated in a federal relief program designed to help them weather economic uncertainty.

We urge legislative action to conform California's tax rules for PPP loans to the current federal rules.

### The Realities of Taxing Services

Despite ongoing economic distress, we understand many in Sacramento continue to entertain a tax on services that would exacerbate a growing affordability crisis across the state. The reality is that a tax on services does not address the challenges of the current tax system. Instead, it needlessly compounds an already complicated tax code and adds significant new tax burdens on Californians.

CalCPA opposes efforts to tax services and the misguided claim that it is the anecdote to the challenges of California's current tax system.

### Added Flexibility in CPA Licensing Process

CalCPA is working with the California Board of Accountancy (CBA) on legislation that would permit an applicant for CPA licensure to meet the current licensure requirements more efficiently.

CalCPA supports legislation that provides applicants for CPA licensure more flexibility in scheduling and sitting for the CPA Examination.

### Outreach with CalCPA

CalCPA can coordinate with you to provide resources and subject matter experts to help your constituents and local small businesses make sense of the economic relief options available to them.

Please consider CalCPA as a resource for you and your local community.

### Other Items of Interest to CalCPA Members

CalCPA members are increasingly concerned with a **worsening business climate**. Additionally, CalCPA members are following recent **proposals to mitigate state & local tax deduction limits**.