

SUPPORT HB 2042 (Seibold) / SB 1042 (Ebbin)

Certified public accountant; educational requirements.

BILL SUMMARY

Certified public accountant; educational requirements. Clarifies education and experience requirements for candidates to qualify for CPA licensure. The bill also provides that, to qualify for practice privileges within the Commonwealth, an individual must have a license in good standing in another jurisdiction and have passed the CPA examination. The bill directs the Board of Accountancy to adopt emergency regulations to implement the provisions of the bill. The bill contains technical amendments.

WHY IS THIS BILL NEEDED?

- ❖ Accounting, like many other professions, is struggling to fill the workforce pipeline.
- ❖ State CPA societies and state boards of accountancy across the country are moving towards a model to allow one year of experience to substitute for the fifth year of college currently required for CPA licensure. This change will allow students to begin earning money sooner in their career while also avoiding the cost of an additional year of college.
- ❖ Studies have shown the required fifth year of education has not significantly increased the knowledge and work-readiness of newly licensed CPAs.
- ❖ Addresses the shrinking pool of CPAs both in Virginia and nationally, putting businesses, governmental agencies, individual taxpayers and capital markets at risk due to a shortage of these trusted financial professionals.
- ❖ Strengthens interstate practice mobility laws by making it clear that as long as an out-of-state CPA has a license in good standing and has passed the uniform CPA Examination they are welcome in Virginia without needing a reciprocal license, but are still subject to Virginia's laws and regulations.
 - Works like a driver's license — out-of-state drivers drive through Virginia and don't need a Virginia license but still can get ticketed or worse if they violate our laws – the public interest is still protected.
- ❖ A reciprocal license would still be required in the event Virginia becomes a CPA's principal place of business.

VSCPA POSITION: SUPPORT

- ❖ The bill is supported by the Virginia Society of CPAs and the Virginia Board of Accountancy provided input in developing the bill language.
- ❖ Ohio has already passed similar legislation and Alaska, Arkansas, California, Florida, Georgia, Illinois, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Montana, New Jersey, Pennsylvania, South Carolina, Tennessee, Texas, Utah, Vermont, Washington and D.C. are planning to do so in 2025 as well, with other states planning move in 2026 or 2027.

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