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Uniform Laws Governing Practice of CPAs Across State Lines Gain National Momentum

Legislatures in 23 States Approve Law

Washington, DC (May 7, 2008) – Twenty-three states have approved laws to make it less burdensome for certified public accountants to represent clients across state lines.

The American Institute of Certified Public Accountants is seeking enactment of similar laws in every state so that a national uniform mobility system will become a reality for CPAs, CPA firms and the state boards of accountancy that regulate them. The AICPA has worked collaboratively since 2007 with the state boards of accountancy, the individual state CPA societies and the National Association of State Boards of Accountancy to update the states' laws.

“We are very pleased about how many states have enacted this uniform provision and want to thank the states for moving so quickly,” said Barry C. Melancon, president and chief executive officer of the AICPA. “We also thank the lawmakers and leaders of the accounting profession and the state accountancy regulatory community for their hard work and progressive foresight.”

The changes to the states' uniform accountancy statutes are very important to CPAs and CPA firms of all sizes that practice public accountancy because it's common for CPAs to have clients with businesses in multiple states, Melancon explained. But the requirements for gaining a practice privilege differ so much from state to state it's almost impossible for CPAs to navigate.

“Now CPAs can practice in the 21 states that have updated their laws without seeking additional licenses or permits or comply with other notification requirements that do not necessarily protect the public,” he said.

Governors in Connecticut and Maryland are prepared to sign legislation recently enacted by their legislatures.

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“The momentum has really built for this mobility initiative,” Melancon said. Bills are pending in 10 other state legislatures—Alabama, Arizona, California, Delaware, Massachusetts, Michigan, New Jersey, Oklahoma, Pennsylvania and South Carolina.

The 21 states that have adopted the uniform provision are Colorado, Illinois, Indiana, Idaho, Iowa, Kentucky, Louisiana, Maine, Minnesota, Mississippi, Missouri, New Mexico, Ohio, Rhode Island, Tennessee, Texas, Utah, Virginia, Washington, West Virginia and Wisconsin.

Under the provision enacted by the states, individual state boards of accountancy will automatically have jurisdiction over all CPAs and CPA firms practicing in their state. Therefore, states will be able to discipline CPAs with out-of-state licenses, even if the CPAs are not licensed or registered in the state. The provision is included in the Uniform Accountancy Act, which is the model CPA licensing law that is written and endorsed by the AICPA and NASBA.

For more information on the mobility initiative, please visit www.aicpa.org/Legislative+Activities+and+State+Licensing+Issues/Mobility+and+State+Licensing+Issues/.

The American Institute of Certified Public Accountants (www.aicpa.org) is the national, professional association of CPAs, with more than 350,000 members, including CPAs in business and industry, public practice, government, and education; student affiliates, and international associates.

It sets ethical standards for the profession and U.S. auditing standards for audits of private companies; federal, state and local governments; and non-profit organizations. It develops and grades the Uniform CPA Examination nationwide.

The AICPA is the sponsor of a national public-education effort called 360 Degrees of Financial Literacy (www.360financialliteracy.org), designed to improve the financial understanding of Americans at all age levels. A related campaign, Feed the Pig (www.feedthepig.org), created with the Ad Council, is designed to help Americans ages 25 to 34 years old save for long-term financial security.

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