

11/26/2024

TO: AICPA and NASBA Boards of Directors

RE: Uniform Accountancy Act Exposure Draft Dated 09/30/2024

The Nevada Society of CPAs Board of Directors appreciates the opportunity to comment on the recent AICPA/NASBA Uniform Accountancy Act (UAA) Exposure Draft (exposure draft).

UAA Section 5:

- As noted in our response letter dated 11/04/2024, the Nevada Society of CPAs does not support the proposed additional pathway noted in UAA Section 5(c)(2)(C) and 5(f)(2)(A). We outlined our disagreement in the response. We suggest UAA Section 5 be amended to allow for Bachelors Degree, Two Years of Experience, and Passage of the CPA Exam.
- We do support the proposed change is UAA Section 5(c)(1) that allows a CPA candidate to sit for the CPA exam with “a baccalaureate or higher degree conferred by a college or university acceptable to the Board, the total educational program to include an accounting concentration, or equivalent as determined by Board rule” as aligns with laws/rules of most states’ requirements.

UAA Section 23:

- UAA Section 23 does not adopt automatic mobility which creates a barrier to cross-boarder practice which is vital to the CPA profession and collaboration between CPAs. Nevada, and three other states, have adopted automatic mobility over the past 15 years to remove barriers to entry in our states. To date, there have been no issues with this practice. Automatic mobility gives authority to the State Boards of Accountancies (SBOAs) to discipline CPAs who practice in the state and do not perform to the state’s statutory standards. Absence of this stated authority, SBOAs may not be able to discipline an out-of-state CPA. When Nevada adopted automatic mobility, Ken Bishop, NASBA President, testified in support of the bill. Since at least 2008, NASBA and AICPA have touted the benefit of CPA mobility and equated it to the “driver’s license model” we have in the United States. Yet, now, it is absent in this exposure draft.
- Many states have/will propose legislation to adopt automatic mobility in current and upcoming legislative sessions. As with the pathway exposure, it is inadvisable to ignore these efforts and propose UAA language that will conflict with almost half the states in the United States of America in 2025/2026. Any proposal should work with states who have thoughtfully drafted changes to their laws and rules to best serve the profession.

- The exposure draft does not grant authority to the states to determine substantial equivalency as they have now. The SBOAs own their state licenses and deserve that authority.
- The exposure draft assumes a state will “go rouge” and CPAs from that state could practice across borders. Guardrails included in automatic mobility language (which most states are proposing) would eliminate this threat. The AICPA side of the UAA committee recommended such language, with guardrails, which is not included in the final exposure draft.
- The exposure draft inserts a national licensee database in Section 23(a)(2) which focuses on how and where a licensee obtains their license as opposed to that a person has a license. It in essence creates multiple classes of licensees instead of one class where CPA equal CPA.
- Given that NASBA has no regulatory authority, it does not seem appropriate that any reference to NQAS being an authoritative body akin to a SBOA is appropriate. NASBA provides various services to its members upon request, it is not necessary to list those services in the model language. The removal of the NQAS would not prohibit an SBOA from delegating a function to NQAS. Further, the criteria NQAS would use for making determinations on substantial equivalency is not in the model language which results in too much subjectivity.
- Decoupling the licensing requirements with mobility creates a more robust mobility approach that modernizes the licenses, protects the public, and best serves the profession to operate across state lines.

In summary, the Nevada Society of CPAs does not support the UAA Exposure Draft and recommends edited Section 5 to add a pathway a Bachelor’s Degree, Two years of General Experience, and Passage of the CPA Exam and Section 23 should include an automatic mobility provision and elimination of reference to NQAS.

Sincerely,



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