

# HOUSE BILL REPORT

## SHB 1518

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**As Passed House:**

February 23, 2009

**Title:** An act relating to prohibited practices in accountancy.

**Brief Description:** Regarding prohibited practices in accountancy.

**Sponsors:** House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Green, Kelley and Wood; by request of State Board of Accountancy).

**Brief History:**

**Committee Activity:**

Commerce & Labor: 1/30/09, 2/6/09 [DPS].

**Floor Activity**

Passed House: 2/23/09, 97-0.

**Brief Summary of Substitute Bill**

- Aligns the prohibited practices for an accounting firm with an office in this state to perform without a license with the licensing requirement.

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 8 members: Representatives Conway, Chair; Wood, Vice Chair; Condotta, Ranking Minority Member; Chandler, Crouse, Green, Moeller and Williams.

**Staff:** Joan Elgee (786-7106)

**Background:**

The Public Accountancy Act governs the practice of accounting in the state. An accounting firm with an office in the state must be licensed to use the title "CPA" or perform attest or compilation services. It is a prohibited practice for a firm with an office in the state to practice "public accounting" without a license. "Practice of public accounting" includes consulting services and preparation of tax returns by a licensee.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A license is not required for bookkeeping and preparation of tax returns under certain conditions.

**Summary of Substitute Bill:**

The prohibited practices for an accounting firm with an office in the state are aligned with the licensing requirement. It is a prohibited practice for an accounting firm with an office in this state to perform or offer to perform attest or compilation services or use the title "CPA" without a license. The prohibition does not limit the services permitted by persons not required to be licensed.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) The problem addressed in this bill was overlooked in last year's bill. The bill is needed so licensed tax preparers do not need a firm license.

(In support with amendment) The bill is not a problem, but a technical correction is needed.

(Opposed) None.

**Persons Testifying:** (In support) Richard Sweeney, Washington State Board of Accountancy.

(In support with amendment) Gary Smith, Independent Business Association of Washington.

**Persons Signed In To Testify But Not Testifying:** None.