

# SENATE BILL REPORT

## SSB 5434

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As Passed Senate, March 7, 2009

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

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

**Sponsors:** Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Holmquist, Kohl-Welles and Shin; by request of State Board of Accountancy).

**Brief History:**

**Committee Activity:** Labor, Commerce & Consumer Protection: 2/03/09, 2/09/09 [DPS].  
Passed Senate: 3/07/09, 44-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

**Majority Report:** That Substitute Senate Bill No. 5434 be substituted therefor, and the substitute bill do pass.

Signed by Senators Kohl-Welles, Chair; Keiser, Vice Chair; Holmquist, Ranking Minority Member; Franklin, Honeyford, King and Kline.

**Staff:** Alison Mendiola (786-7483)

**Background:** The Public Accountancy Act governs the practice of accounting in the state. An accounting firm 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.

**Summary of Substitute Bill:** An accounting firm with an office in this state offering to perform attest or compilation services may not use the title CPA without a license. This does not impact the services permitted by unlicensed persons.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** None.

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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.*

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony on Original Bill:** PRO: This bill is a technical fix. The proposed amendment is needed to clarify that this new language does not impact services permitted by unlicensed persons.

**Persons Testifying:** PRO: Richard Sweeny, Diane Bren, Washington Board of Accountancy; Gary Smith, Independent Business Association; Carl Warren, Washington State Society for Enrolled Agents.