

SUBJECT: Amending eligibility requirements for the CPA exam and certificate

COMMITTEE: Licensing & Administrative Procedures — committee substitute recommended

VOTE: 7 ayes — K. King, Walle, Goldman, Harless, Hernandez, Patterson, S. Thompson
0 nays
4 absent — Herrero, T. King, Schaefer, Shaheen

WITNESSES: For — Joshua LeBlanc, TXCPA (*Registered, but did not testify*; Eric Wright, CohnReznick; Mark Vane, Husch Blackwell Strategies; Martin Hubert, RSM; Kenneth Besserman, Texas Society of CPAs; Adam Jones, Weaver and Tidwell, LLP)
Against — None

DIGEST: CSHB 797 would decrease the minimum number of semester hours or quarter-hour equivalents required for courses recognized by the Texas State Board of Public Accountancy (TSBPA) from 150 to 120 hours for a certified public accountant (CPA) examination applicant. Twenty-four of these hours would be required to be from accounting or equivalent courses. The bill would prohibit the creation of rules requiring that an applicant completed more than 21 semester hours of upper-level accounting courses. Additionally, applicants would no longer be required to complete two years of work experience under the supervision of a CPA to be eligible to receive a certificate.

To be eligible for a CPA certificate, the bill would require an individual to complete at least 150 semester hours or quarter-hour equivalents in board-recognized courses, including an accounting concentration or equivalent courses that met certain eligibility requirements, as determined by the TSBPA.

The bill's provisions would only apply to applications for CPA certificates and examinations submitted on or after the effective date of the bill.

The bill would take effect September 1, 2023.

**SUPPORTERS
SAY:**

By revising the eligibility requirements for CPA examination applicants, CSHB 797 would allow students to take the CPA exam a year sooner while maintaining standard requirements for the certificate. As students are often discouraged by the high number of credit hours required, this change would incentivize more Texans to pursue accounting degrees while giving graduates more flexibility to enter the workforce sooner.

Additionally, rather than the two years of work experience required by current law, CPA candidates would only be required to have one year of experience prior to being certified under the bill. This would bring Texas statute in line with the Uniform Accountancy Act, a widely-accepted approach to regulation of the accounting profession, and could further encourage students to pursue accounting.

Incentivizing accounting in Texas would help businesses who have been struggling to recruit CPAs and help the state remain competitive with other states wherein these allowances have already been made.

**CRITICS
SAY:**

No concerns identified.