

Clearinghouse Rule 24-071

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE)

PROPOSED ORDER

An order of the Accounting Examining Board **to amend** s. Accy 2.304 (2), (3), (4), and (5), relating to examination requirements.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

Sections 442.04 (2) and 442.04 (5) (b) 4., Stats.

Statutory authority:

Sections 15.08 (5) (b), 227.11 (2) (a), and 442.04 (5) (b) 4., Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., provides an examining board “[s]hall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 227.11 (2) (a), Stats., sets forth the parameters of an agency’s rule-making authority, stating an agency “may promulgate rules interpreting provisions of any statute enforced or administered by the agency. . .but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 442.04 (5) (b) 4., Stats., provides the Board may not grant a certificate as a certified public accountant to any person other than a person who “... has successfully passed an examination in such subjects affecting accountancy and business as the examining board considers necessary.”

Related statute or rule:

None.

Plain language analysis:

The Accounting Examining Board revised ch. Accy 2 to extend the rolling period of credit to pass all sections of the Uniform CPA Examination from 18 months to 30 months and clarified that the period begins on the date of notification that the first section is passed.

Summary of, and comparison with, existing or proposed federal regulation:

None.

Summary of public comments received on statement of scope and a description of how and to what extent those comments and feedback were taken into account in drafting the proposed rule:

The Accounting Examining Board held a preliminary public hearing on the scope statement on March 6, 2024. Tammy Hofstede on behalf of the Wisconsin Institute of Certified Public Accountants (WICPA) commented in support of the rule project and recommended to the board and the department to make clear when the rule goes into effect and to prepare for any issues to make the transition easier.

Comparison with rules in adjacent states:

Illinois:

As of January 1, 2024, the Illinois Board of Examiners requires applicants for a CPA to complete the Uniform CPA exam's four sections within a rolling 30-month period that begins from the actual date the score for each section is released to the applicant. [Ill. Admin. Code Title 23 § 1400.140].

Iowa:

As of April 10, 2024, the Iowa Accountancy Examining Board requires that all four sections of the Uniform CPA Examination must be completed within a rolling 30-month period, which is calculated on the date the examination administrator provides scores to the boards, the candidate, or both. [193A IAC 3.6 (542)]

Michigan:

As of October 24, 2023, Michigan's administrative code requires the Uniform CPA Exam to be completed within a rolling 30-month period beginning on the date that the score is released for the first section passed. [MI Admin. Code § R 338.5110a].

Minnesota:

At the end of December of 2023, a bill was introduced to change the Minnesota administrative code requirement for all sections of the Uniform CPA Examination to be completed within a rolling 18-month period beginning upon completion of the first section of the examination to a rolling 30-month period, that begins on the date that the AICPA releases the score for the first section or sections passed. The bill was adopted on July 29, 2024, and it has become effective as of August 5, 2024. [MN Admin. Code § 1105.2000].

Summary of factual data and analytical methodologies:

The department, in collaboration with the board, reviewed ch. Accy 2 to bring it up to national standards and determined that a change of the rolling period for applicants to complete all sections of the Uniform CPA Examination was necessary as other states have already extended their period to 30 months.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

The board will solicit economic impact comments from small businesses, local governmental units, and individuals for a period of 14 days.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis will be attached upon completion.

Effect on Small Business:

The board will solicit economic impact comments for a period of 14 days in order to determine whether the rules have an impact on small business. An impact is not anticipated.

Agency contact person:

Sofia Anderson, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708; email at DSPSAdminRules@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Sofia Anderson, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, WI 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received on or before the public hearing to be held on November 20, 2024 at 9:00 AM to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. Accy 2.304 (2), (3), (4), and (5) are amended to read:

(2) A candidate shall retain credit for any section passed for ~~18~~ 30 months. A candidate may retake a section once the grade for the previous attempt of the same section has been released.

(3) A candidate must pass all sections of the uniform certified public accountant examination within a rolling ~~18-month~~ 30-month period that begins on the date of notification that the first section is passed.

(4) If any section of the uniform certified public accountant examination is not passed within the rolling ~~18-month~~ 30-month period, credit for any section passed outside the ~~18-month~~ 30-month period shall expire and that section shall be retaken.

(5) The board may on a case-by-case basis extend the ~~18-month~~ 30-month period of credit for sections of the Uniform CPA Examination passed, or the duration of the ~~18-month~~ 30-month rolling period, upon the applicant showing to the board's satisfaction that the inability to pass all sections of the examination within the ~~18-month~~ 30-month period was due to one of the following:

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)
