

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING : ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 21-013)

ORDER

An order of the Accounting Examining Board to create s. Accy 2.304 (5), relating to the CPA examination completion deadline.

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) 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 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 is revising ch. Accy 2 to create s. Accy 2.304 (5). This will give the board discretion to extend the 18-month period of credit for Uniform CPA Examination sections passed, upon the applicant showing to the board's satisfaction, that the inability to pass all sections of the examination within the 18-month period was due to circumstances beyond the applicant's control, or for other reasons deemed acceptable by the board.

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

None.

Comparison with rules in adjacent states:

Illinois:

The Illinois Board of Examiners requires applicants for a CPA to complete the Uniform CPA exam's four sections within a rolling 18-month period begin upon completion of the first section. There is no provision for an extension of time due to hardship, however time spent in active duty in the United States military does not count toward the 18-month deadline. (Ill. Admin. Code § 1400.140).

Iowa:

Iowa admin code 193A—3.6 and 3.7 (542) lay out the examination requirements for certification as a public accountant in Iowa. The Uniform CPA Examination must be completed within a rolling 18-month period beginning upon completion of the first section. The Iowa Accountancy Examining Board may waive this requirement due to applicant illness, death in the family, or military service.

Michigan:

Michigan administrative code requires the Uniform CPA Exam to completed within a rolling 18-month period beginning upon the completion of the first section. The code allows the board to extend the 18-month window in the event of an applicant's or the applicant's immediate family's illness, applicant's military service, death in the family, or other good reason as determined by the Michigan Board of Accountancy. (MI Admin. Code § R 338.5110a).

Minnesota:

Minnesota administrative code requires the Uniform CPA Examination to be completed within a rolling 18-month period beginning upon completion of the first section of the examination. The Minnesota Accountancy Board may waive this requirement upon a showing that the applicant cannot meet the deadline due to circumstances beyond the applicant's control (MN Admin. Code § 1105.2000).

Summary of factual data and analytical methodologies:

The board realizes that hardship or other factors outside of an applicant's control may prevent an applicant from completing all of the sections of the Uniform CPA Examination within the required 18-month rolling period. This rule will allow an applicant to apply for and receive an extension upon a showing to the board's satisfaction that the applicant's circumstances warrant an extension.

Fiscal estimate and economic impact analysis:

The fiscal estimate and economic impact analysis are attached.

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

The board solicited economic impact comments from small businesses, local governmental units, and individuals for a period of 14 days. No comments were received.

Effect on small business:

This proposed rule does not have an economic impact on small businesses, as defined in s.227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Daniel.Hereth@ wisconsin.gov, or by calling (608) 267-2435.

Agency contact person:

Sofia Anderson, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone (608) 261-4463; email at DSPSAdminRules@ wisconsin.gov.

TEXT OF RULE

SECTION 1. Accy 2.304 (5) is created to read:

Accy 2.304 (5) The board may on a case-by-case basis extend the 18-month period of credit for sections of the Uniform CPA Examination passed, or the duration of the 18-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 period was due to one of the following:

- (a) The sickness of the candidate or a member of the candidate's immediate family if the candidate substantiates the illness by a doctor's certificate.
- (b) A death in the candidate's immediate family if the candidate provides proof of death.
- (c) Temporary military service.
- (d) Other good reason deemed acceptable by the board.

SECTION 2. EFFECTIVE DATE. The rule takes effect on January 1, 2022, pursuant to s. 227.22 (2) (b), Stats.

(END OF TEXT OF RULE)
