

STATE OF WISCONSIN  
Accounting Examining Board

IN THE MATTER OF RULEMAKING PROCEEDINGS BEFORE THE  
ACCOUNTING EXAMINING BOARD

ORDER OF THE ACCOUNTING EXAMINING BOARD  
ADOPTING EMERGENCY RULES

The statement of scope for this rule, SS 049-17, was approved by the Governor on June 2, 2017, published in Register 738A1 on June 5, 2017, and approved by the Accounting Examining Board on June 15, 2017.

This emergency rule was approved by the Governor on June 20, 2017

ORDER

An order of the Accounting Examining Board to amend Accy 2.002 (intro.) and 2.403 and repeal and recreate Accy 2.101 (2), 2.202, and 2.303, relating to education required for examination and certification.

Analysis prepared by the Department of Safety and Professional Services.

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FINDING OF EMERGENCY

The Accounting Examining Board finds that an emergency exists and that this rule is necessary for the immediate preservation of the public peace, health, safety, or welfare. A statement of facts constituting the emergency is:

A new class of graduates and candidates is completing educational requirements in 2017 to fulfill requirements of existing bachelor or masters programs currently offered in colleges and universities, and would not be eligible to take the CPA examination or be certified and licensed in Wisconsin as a CPA.

An expeditious promulgation of this rule is in the best interest of Wisconsin's economy and public welfare, as this will prevent some individuals from having to take additional coursework to meet the educational requirements to take the CPA examination and be certified and licensed in Wisconsin as a CPA.

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ANALYSIS

**Statutes interpreted:**

Section 442.04 (5) (b) 3. and 4., Stats.

**Statutory authority:**

Sections 15.08 (5) (b) and 442.04 (5) (b) 3. and 4., Stats.

**Explanation of agency authority:**

Section 15.08 (5) (b), Stats., provides examining boards “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 442.04 (5) (b) 3., Stats., provides the Board may not grant a certificate as a certified public accountant to any person other than a person who “has completed at least 150 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board, and has received a bachelor's or higher degree.”

Section 442.04 (5) (b) 4., Stats., provides a person is not eligible to take the CPA examination “unless the person has completed at least 120 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board.”

**Related statute or rule:**

None.

**Plain language analysis:**

Administrative rules that went into effect on June 1, 2016, specify numbers of semester hours that an applicant for a CPA certificate must have completed, including at least 24 semester hours in accounting at the undergraduate level or 15 semester hours at the graduate level, including at least one course in each of six specified subjects, and at least 24 semester hours in business courses other than accounting courses at the undergraduate or graduate level, including at least one course in each of six specified subjects.

These emergency rules modify the semester hours and course subjects required in order to be granted a CPA certificate or to take the CPA examination, as follows:

1. Specifies methods for satisfying the 150 hours requirement for obtaining a CPA certificate. The methods differ depending on the degree received by the applicant and how the educational program, department, or educational institution from which the applicant earned the degree is accredited.
2. Provides that a person may satisfy the 120 hours requirement for taking the CPA examination if the person already satisfies the 150 hours requirement for obtaining a CPA certificate described above, the person otherwise satisfies the course content and semester hours required for a CPA certificate, or the person has completed course work that the board determines is reasonably equivalent to those requirements.

These changes will allow graduates and candidates who in 2017 have completed the educational requirements in effect on May 31, 2016, to be eligible to take the CPA examination or be certified and licensed in Wisconsin as a CPA.

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

None.

## **Comparison with rules in adjacent states:**

### **Illinois:**

Illinois requires 150 college or university semester hours with an accounting concentration to be admitted to take the certified public accountant examination. The 150 hours must include a baccalaureate or higher degree conferred by an academic institution acceptable to the Board (225 Ill Comp. Stat. 450/3). The Board recognizes institutions of higher education accredited by a regional accrediting association recognized by the Council for Higher Education Accreditation or the U.S. Department of Education. The Board also recognizes business schools accredited by the Association of Advance Collegiate Schools of Business or the Association of Collegiate Business Schools and Programs (23 Ill. Adm. Code 1400.90 (c) (2) (G)).

### **Iowa:**

Qualifications for a certificate as a certified public accountant in Iowa includes completion of at least 150 semester hours of college level education and receiving a baccalaureate or higher degree by a college or university recognized by the Board (Iowa Code §542.5 (7)). The Board recognizes institutions accredited by the American Assembly of Collegiate Schools of Business (193A IAC 3.2). Other qualifications include one year of verified experience and successful completion of the uniform certified accountant's examination (193A IAC 3.1).

### **Michigan:**

Certification requirements in Michigan include the completion of a least 150 semester hours of college education including a baccalaureate degree or higher with a concentration in accounting (Mich. Admin. Code R 338.5116). For purposes of accreditation the Board recognizes the North Central Association of Colleges and Schools Commission on Institutions of Higher Education (Mich. Admin. Code R 338.5115). Qualifying experience for certification includes 2,000 hours of experience within a period of not less than one calendar year and not more than 5 calendar years (Mich. Admin. Code R 338.5117).

### **Minnesota:**

The requirements for certification include the completion of one year of experience and 150 semester hours or 225 quarter hours at a college or university accredited by a recognized accrediting agency listed with the United States Department of Education, or an equivalent accrediting association (Minn. Stat. §326A.03 Subd. 6.). Before taking the examination an applicant is required to have a "baccalaureate or higher degree, with a major in accounting or a major in business with accounting emphasis, or an equivalent education, from a college or university that is fully accredited by a recognized accrediting agency listed with the United States Department of Education or an equivalent accrediting association." (Minn. Stat. §326A.03 Subd. 3.).

## **Summary of factual data and analytical methodologies:**

The proposed rules were developed by obtaining input and feedback from the Accounting Examining Board.

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

These rules do not impose any new requirements. The purpose of the rules is to provide graduates and candidates a window of opportunity to qualify for the CPA examination and certification in Wisconsin as a CPA under the educational requirements in place on May 31, 2016.

**Fiscal estimate:**

These rules will not have a fiscal impact.

**Effect on small business:**

These rules do 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 Kirsten.Reader@wisconsin.gov, or by calling (608) 267-2435.

**Agency contact person:**

Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-4472; email at DSPSAdminRules@wisconsin.gov.

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

Comments may be submitted to Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, Wisconsin 53708, or by email to DSPSAdminRules@wisconsin.gov. Comments must be submitted by the date and time at which the public hearing on these rules is conducted. Information as to the place, date, and time of the public hearing will be published on the Department of Safety and Professional Services' website and in the Wisconsin Administrative Register.

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TEXT OF RULE

SECTION 1. Accy 2.002 (intro.) is amended to read:

**Accy 2.002 Definitions. (intro.)** In this chapter, except where a different meaning is indicated:

SECTION 2. Accy 2.101 (2) is repealed and recreated to read:

**Accy 2.101 (2)** Proof of fulfilling the educational requirements specified in s. Accy 2.202 and s. 442.04 (5) (b) 3., Stats., by submitting one of the following:

(a) For a candidate who qualifies under s. Accy 2.202 (1), proof that the candidate earned a master's degree specified under s. Accy 2.202 (1).

(b) For a candidate who qualifies under s. Accy 2.202 (2), (3), or (4), certified copies of transcripts for all academic work completed at an accredited educational institution that reflect that the candidate has satisfied the requirement under s. Accy 2.202 (2), (3), or (4), whichever is applicable.

(c) For a candidate who qualifies under s. Accy 2.202 (5), certified copies of transcripts for all academic work leading to a bachelor's or higher degree in accounting meeting the coursework requirement described in s. Accy 2.202 (5).

SECTION 3. Accy 2.202 is repealed and recreated to read:

**Accy 2.202 Education required for certification.** A candidate applying for a certificate to practice as a certified public accountant must have earned a bachelor's or higher degree from an accredited educational institution and have satisfied one of the following for purposes of meeting the 150-hour coursework requirement under s. 442.04 (5) (b) 3., Stats.:

(1) Earned a master's degree in accounting from an accounting program or department accredited by the Association to Advance Collegiate Schools of Business.

(2) Earned a bachelor's or higher degree from a business program or college of business accredited by the Association to Advance Collegiate Schools of Business, the International Assembly for Collegiate Business Education, or the Accreditation Council for Business Schools and Programs, and completed at least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

- (a) Financial accounting.
- (b) Cost or managerial accounting.
- (c) Taxation.
- (d) Auditing.
- (e) Accounting information systems.

(3) Earned a bachelor's or higher degree from an accredited educational institution and completed all of the following:

(a) At least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

- 1. Financial accounting.
- 2. Cost or managerial accounting.
- 3. Taxation.
- 4. Auditing.
- 5. Accounting information systems.

(b) At least 24 semester hours in business and economics courses other than accounting courses from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

- 1. Economics.

2. Finance.
3. Statistics or data analytics.
4. Business law.
5. Information technology.

**Note:** The courses covering the subjects of financial accounting, cost or managerial accounting, taxation, and auditing under s. Accy 2.202 (2) or (3), would generally be courses taken beyond the introduction accounting course required of every business major.

(4) Completed coursework that the board determines is reasonably equivalent to the course content and semester hours requirements specified in sub. (3) (a) and (b).

(5) In the course of completing at least 150 semester hours of education, earned a bachelor's or graduate degree in accounting prior to June 1, 2017, from an accounting program or department that is listed by an accrediting agency recognized by the board. This subsection applies only to a candidate who submitted an application for a certified public accountant certificate prior to October 1, 2018.

SECTION 4. Accy 2.303 is repealed and recreated to read:

**Accy 2.303 Education required for examination.** A candidate for the certified public accountant examination must have satisfied one of the following for purposes of meeting the 120-hour coursework requirement under s. 442.04 (5) (b) 4., Stats.:

(1) Satisfied s. Accy 2.202 (1), (2), or (3).

(2) Satisfied the course content and semester hours requirements specified in s. Accy 2.202 (3) (a) and (b), or completed coursework that the board determines is reasonably equivalent to those requirements.

(3) Completed at least 120 semester hours of education leading to a bachelor's or graduate degree in accounting that meets the requirements specified in s. Accy 2.202 (5). This subsection applies only to a candidate who submitted an application to take the certified public accountant examination under s. Accy 2.302 prior to October 1, 2017.

SECTION 5. Accy 2.403 is amended to read:

**Accy 2.403 Public accounting experience.** An individual must have at least one year of public accounting experience or its equivalent as determined by the board. Experience shall be acquired after the applicant has ~~earned 120 semester hours of education from an accredited college or university, including courses covering each of the subjects and the semester hours specified in s. Accy 2.202 (1) and (2)~~ satisfied one of the requirements under s. Accy 2.303. This experience must have been acquired within 5 years prior to applying for the certification as a certified public accountant.

SECTION 6. EFFECTIVE DATE. The rules adopted in this order shall take effect on June 23, 2017, or upon publication in the official state newspaper, whichever is later, pursuant to s. 227.22 (2) (c), Stats.

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(END OF TEXT OF RULE)

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