
OLR Bill Analysis

sHB 5025

AN ACT CONCERNING THE OWNERSHIP OF PUBLIC ACCOUNTING FIRMS.

SUMMARY:

Current law prohibits an accounting firm from holding itself out as a certified public accountant (CPA) or using the CPA designation, unless, among other things, (1) it has a valid permit to practice in Connecticut and (2) each equity owner holds a valid license to practice public accountancy.

This bill eliminates the requirement that each equity owner hold a valid license and thus allows firms to obtain a permit and use the CPA designation as long as a simple majority of its owners, in terms of financial interests and voting rights, holds a valid accountancy license from any U.S. state or territory. Equity owners are proprietors, partners, members, and shareholders.

The law, unchanged by the bill, requires a firm's equity owners to hold a valid Connecticut license if they perform professional services and work in this state. It also requires each equity owner of a firm organized as a professional services corporation, professional association, or professional limited liability company to be a Connecticut-licensed public accountant (CGS §§ 33-182a, 34-82, and 34-119).

The bill makes technical and conforming changes.

EFFECTIVE DATE: July 1, 2012

COMMITTEE ACTION

Government Administration and Elections Committee

Joint Favorable

Yea 14 Nay 0 (03/02/2012)