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AICPA Releases Guidance for CPAs to Comply with State Laws If a State Changes its Licensure Requirements

State Legislative Proposals Could Complicate Practitioners' Ability to Work in Different Jurisdictions

NEW YORK (Dec. 14, 2023) – The American Institute of CPAs (AICPA) today released information for U.S. public accounting professionals on the potential impact to their out-of-state engagements if pending state bills altering licensure requirements are enacted.

The [document](#) includes background information and a compliance checklist for CPAs to determine the impact on them if a state unilaterally changes its requirements necessary for licensure.

CPAs currently benefit from a national licensing system, known in shorthand as “CPA mobility,” that permits almost complete practice movement from a CPA’s home state of licensure into other states without having to obtain additional licenses, register with the other state or pay fees. The system is based on the concept of “substantial equivalency,” a foundation of common or similar educational, examination, and experience requirements for licensure across states. This freedom of movement gives CPAs and their employers the flexibility to serve clients across state lines, virtually or in person, without the extra burden of obtaining separate licenses for each state in which they practice.

“We believe upending mobility would be a grave mistake,” said Susan Coffey, AICPA & CIMA’s CEO of public accounting. “But with some states pursuing legislation that impacts CPA mobility well beyond their own borders, it would be irresponsible for us not to have resources in place to reflect those potential outcomes and stakes. As with other matters, we are committed to providing CPAs and CPA firms the information they need to practice successfully and in compliance with regulatory requirements.”

The AICPA earlier this year convened the National Pipeline Advisory Group (NPAG), a multi-stakeholder panel charged with developing a national strategy to address the profession’s talent shortage. The group is looking at long-term solutions to the problem and is evaluating the boundaries of substantial equivalency to understand if greater flexibility exists. The idea is to coalesce, as much as possible, around solutions collectively endorsed by the profession. The group’s draft plan is due May 2024.

In calling for the formation of NPAG this past May, the AICPA governing Council also emphasized the importance of preserving CPA mobility. The AICPA intends to defend the system in states where it is under threat – currently Minnesota and South Carolina – and part of that defense is raising awareness about the stakes involved.

For more information, please visit the AICPA’s resource page on [protecting CPA mobility](#). Besides its role in convening NPAG, the AICPA is pursuing a [Pipeline Acceleration Plan](#) that includes quicker, more short-term initiatives to address the talent shortage.

About the Association of International Certified Professional Accountants, and AICPA & CIMA

The Association of International Certified Professional Accountants (the Association), representing AICPA & CIMA, advances the global accounting and finance profession through its work on behalf of 698,000 AICPA and CIMA members, students and engaged professionals in 188 countries and territories. Together, we are the worldwide leader on public and management accounting issues through advocacy, support for the CPA license and specialized credentials, professional education and thought leadership. We build trust by empowering our members and engaged professionals with the knowledge and opportunities to be leaders in broadening prosperity for a more inclusive, sustainable and resilient future.

The American Institute of CPAs (AICPA), the world's largest member association representing the CPA profession, sets ethical standards for its members and U.S. auditing standards for private companies, not-for-profit organizations, and federal, state and local governments. It also develops and grades the Uniform CPA Examination and builds the pipeline of future talent for the public accounting profession.

The Chartered Institute of Management Accountants (CIMA) is the world's leading and largest professional body of management accountants. CIMA works closely with employers and sponsors leading-edge research, constantly updating its professional qualification and professional experience requirements to ensure it remains the employer's choice when recruiting financially trained business leaders.