

## Fiscal Estimate - 2005 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>05-4264/1</b>	<b>Introduction Number</b> <b>SB-484</b>	
<b>Description</b> Certified public accountants		
<b>Fiscal Effect</b>		
<b>State:</b> <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <b>5. Types of Local Government Units Affected</b> <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.165(1)(g)		
<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
R&L/ Robbi Murphy (608) 261-2392	Robbi Murphy (608) 261-2392	1/20/2006

## Fiscal Estimate Narratives

R&L 1/23/2006

LRB Number	<b>05-4264/1</b>	Introduction Number	<b>SB-484</b>	Estimate Type	<b>Corrected</b>
<b>Description</b> Certified public accountants					

### Assumptions Used in Arriving at Fiscal Estimate

This bill allows a person from another state to practice as a certified public accountant in Wisconsin without being licensed in this state if the person is licensed by a state that has been verified to have standards in substantial equivalence to standards set by the National Association of State Boards of Accountancy or if the person has obtained individualized verification that his or her qualifications are substantially equivalent to those standards.

The bill also requires the person to consent to disciplinary action in Wisconsin, and to comply with the statutes and regulations applicable to certified public accountants who are licensed here. Finally, the bill requires the Accounting Examining Board to agree to investigate and, if necessary, impose discipline upon any person who is licensed or certified by this state and who is reported to have committed an offense in another state that subjects the person to discipline in that state.

This bill would have the following fiscal impacts on state funds. [All staff cost values assume hourly fringe benefits at 40.64% of salary]

One-time costs: \$8,695

Changes to IT systems to add new regulated group  
85 hours IT programmer time @ \$35 hour 2,975

Promulgate rules  
80 hours paralegal @ \$27 hour 2,160  
40 hours legal counsel @ \$53 hour 2,120  
40 hours program manager @ \$36 1,440

Annualized on-going costs: \$4,190

Screen, Investigate and Prosecute complaints  
20 hours paralegal @ 25 hour 500  
40 hours investigator @ 26 hour 1,040  
40 hours prosecutor @ 53 hour 2,120

Hearing on 1 complaint of the above

10 hours administrative law judge @ 53 hour 530

### Revenue Assumptions:

The Department of Regulation and Licensing [DRL] assumes that 125 applicants from out of state for initial licensure as CPA's may choose not to be licensed as they will be regulated as if they were for an annual decrease in revenue of \$6,625, \$5,963 of which is program revenue and \$663 of which is general purpose revenue-earned.

DRL assumes that 125 out of state CPA's currently holding Wisconsin licensure may choose not to renew their biennial licenses for an annualized decrease in revenue of \$3,688--\$3,319 program revenue and \$369

in GPR-E.

## **Long-Range Fiscal Implications**

## Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

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<b>LRB Number</b> 05-4264/1		<b>Introduction Number</b> SB-484	
<b>Description</b> Certified public accountants			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>  \$8,695			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
	State Operations - Salaries and Fringes	\$4,190	
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	<b>TOTAL State Costs by Category</b>	<b>\$4,190</b>	<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
	GPR		
	FED		
	PRO/PRS	4,190	
	SEG/SEG-S		
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		-1,031
	FED		
	PRO/PRS		-9,281
	SEG/SEG-S		
	<b>TOTAL State Revenues</b>	<b>\$</b>	<b>\$-10,312</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
		State	Local
NET CHANGE IN COSTS		\$4,190	\$
NET CHANGE IN REVENUE		\$-10,312	\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
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