

STATE OF WISCONSIN  
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING PROCEEDINGS BEFORE THE ACCOUNTING  
EXAMINING BOARD

ORDER OF THE ACCOUNTING EXAMINING BOARD  
ADOPTING RULES  
(CLEARINGHOUSE RULE 17-064)

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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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:**

These 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.

**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 Illinois Board of Examiners (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 Iowa Accountancy Examining 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 Michigan Board of Accountancy 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 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:**

The rules were posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

**Fiscal Estimate and Economic Impact Analysis:**

The Fiscal Estimate and Economic Impact Analysis document is attached.

**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, P.O. Box 8366, Madison, WI 53708-8935, or by email to DSPSAdminRules@wisconsin.gov. Comments must be submitted at or before the date and time the public hearing on these proposed 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 institution, as defined in s. 442.04 (5) (a), Stats., with 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 the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

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(END OF TEXT OF RULE)  
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