

## **BILL ANALYSIS**

C.S.H.B. 1316  
By: Goolsby  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, certified public accountants licensed by the Texas State Board of Public Accountancy (TSCPA) and employed by the federal government, but prohibited by virtue of the terms of that employment from practicing public accountancy outside of their employment, receive a license fee exemption, which exempts them from the annual \$200 professional fee. This is not an exemption from the annual license fee that goes to the TSCPA. It just exempts them from the additional “professional fee” imposed by Sections 901.406 and 901.407 of the Occupations Code.

The effect of section 901.410(1) as enacted in 1999 was to grant an exemption from the “professional fee” to employees of the Internal Revenue Service who were prohibited from practicing public accountancy because it would create a conflict of interest with their work with the IRS. The employees of the Texas Comptroller’s Office, who were likewise prohibited from practicing public accountancy, were exempted by virtue of section 901.410(2). Therefore it was not necessary to include them in section 901.410(1) of that statute.

Section 901.410, as enacted in 1999, did not provide an exemption for the employees of states other than Texas who are prohibited, like the IRS employees, by the terms of their employment from practicing public accountancy. Many other states have revenue representatives living and working in Texas who are licensed as CPA’s by the TSCPA. These employees of other states are residents of Texas, vote in Texas, and pay Texas taxes. All of states that they represent have similar provisions of their code of conduct that prohibit these revenue employees from doing accounting work that is a conflict of interest with their state duties.

CSHB 1316 amends the existing law to allow a fee exemption under section 901.410 for an employee of the government of another state, or a municipal or county government and who is restricted by virtue of that employment from engaging in the practice of public accountancy outside the scope of their employment.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

CSHB 1316 amends the existing law to allow a fee exemption from the fee increase imposed by Sections 901.406 and 901.407 of the Occupations Code for an employee of the government of another state, or a municipal or county government, and who is restricted by virtue of that employment from engaging in the practice of public accountancy outside the scope of their employment.

Provides that the change in law applies to a fee under Section 901.406 or 901.407 that becomes due on or after the effective date of this Act.

### **EFFECTIVE DATE**

Immediately, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2007.

## **COMPARISON OF ORIGINAL TO SUBSTITUTE**

The difference between the original bill and the committee substitute is the inclusion of a municipal or county government employees in addition to an employee of the government of another state for exemption purposes.