

By: Representative Gunn

To: Judiciary B

HOUSE BILL NO. 1108

1 AN ACT TO AMEND SECTIONS 73-33-2 AND 73-33-5, MISSISSIPPI  
2 CODE OF 1972, TO PROVIDE FOR INACTIVE STATUS FOR CERTIFIED PUBLIC  
3 ACCOUNTANTS; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** Section 73-33-2, Mississippi Code of 1972, is  
6 amended as follows:

7 73-33-2. For the purposes of this chapter, unless context  
8 requires otherwise:

9 (a) "Certified public accountant," "CPA," or "licensee"  
10 means an individual who holds an active license issued by the  
11 Mississippi State Board of Public Accountancy to practice public  
12 accounting, and the term "license" is used synonymously for the  
13 terms "certificate" or "certification."

14 (b) "Certified public accountant firm" or "CPA firm"  
15 means any professional corporation, partnership, joint venture,  
16 professional association, sole proprietor acting as a practice  
17 unit, or other business organization or office thereof allowable  
18 under state law and under the qualifications as set in the rules  
19 and regulations of the board maintained for the purpose of  
20 performing or offering to perform public accounting. "Sole  
21 proprietor acting as a practice unit" means a sole proprietor CPA  
22 who maintains an office full-time with professional accounting  
23 staff and holds himself out for the practice of accounting as a  
24 CPA.

25 (c) "Practice of, or practicing, CPA public accounting  
26 or CPA public accountancy" means the performance, the offering to  
27 perform, or maintaining an office by a person, persons or firm

28 holding itself out to the public as certified public accountant(s)  
29 or CPA firm, for a client or potential client, or certified public  
30 accountant(s) or CPA firm performing one or more kinds of services  
31 involving the use of accounting or auditing skills, including, but  
32 not limited to, the issuance of reports on financial statements,  
33 or of one or more kinds of management advisory, financial advisory  
34 or consulting services, or the preparation of tax returns or the  
35 furnishing of advice on tax matters.

36 (d) "Firm permit to practice public accounting" means a  
37 permit issued by the Mississippi State Board of Public Accountancy  
38 permitting a certified public accountant firm to practice CPA  
39 public accounting, and "permit holder" means a certified public  
40 accountant firm holding such permit.

41 (e) "Inactive certified public accountant" means a  
42 certified public accountant, in good standing, who is not engaged  
43 in the practice of public accounting in this state. A person may,  
44 upon written request to the Mississippi Board of Public  
45 Accountancy, be certified as an inactive certified public  
46 accountant. An inactive certified public accountant shall not be  
47 required to complete any continuing education requirements. If an  
48 inactive certified public accountant becomes active, he shall  
49 comply with all requirements regarding active status.

50 **SECTION 2.** Section 73-33-5, Mississippi Code of 1972, is  
51 amended as follows:

52 73-33-5. The Mississippi State Board of Public Accountancy  
53 is hereby authorized with the following powers and duties:

54 (a) To adopt a seal;

55 (b) To govern its proceedings;

56 (c) To set the fees and to regulate the time, manner  
57 and place of conducting examinations to be held under this  
58 chapter. Beginning February 1, 1995, a total of one hundred fifty  
59 (150) collegiate-level semester hours of education including a  
60 baccalaureate degree or its equivalent at a college or university

61 acceptable to the board shall be required in order to sit for the  
62 examination by candidates who have not previously sat for the  
63 examination. The education program shall include an accounting  
64 concentration or the equivalent as determined by the board to be  
65 appropriate by rules and regulations. The examination shall cover  
66 branches of knowledge pertaining to accountancy as the board may  
67 deem proper;

68 (d) To initiate investigations of certified public  
69 accountant and certified public accountant firm practices;

70 (e) To notify applicants who have failed an examination  
71 of such failure and in what branch or branches deficiency was  
72 found;

73 (f) To adopt and enforce such rules and regulations  
74 concerning certified public accountant examinee and licensee  
75 qualifications and practices and certified public accountant firm  
76 permits and practices as the board considers necessary to maintain  
77 the highest standard of proficiency in the profession of certified  
78 public accounting and for the protection of the public interest.  
79 The standards of practice by certified public accountants and  
80 certified public accountant firms shall include generally accepted  
81 auditing and accounting standards as recognized by the Mississippi  
82 State Board of Public Accountancy;

83 (g) To issue certified public accountant licenses under  
84 the signature and the official seal of the board as provided in  
85 this chapter; and to issue permits to practice public accounting  
86 to certified public accountant firms pursuant to such rules and  
87 regulations as may be promulgated by the board;

88 (h) To adopt rules and regulations related to active  
89 and inactive status for certified public accountants.

90 (i) To employ personnel;

91 (j) To contract for services and rent; and

92 (k) To adopt and enforce all such rules and regulations  
93 as shall be necessary for the administration of this chapter;

94 provided, however, no adoption or modification of any rules or  
95 regulations of the board shall become effective unless any final  
96 action of the board approving such adoption or modification shall  
97 occur at a time and place which is open to the public and for  
98 which notice by mail of such time and place and the rules and  
99 regulations proposed to be adopted or modified has been given at  
100 least thirty (30) days prior thereto to every person who is  
101 licensed and registered with the board.

102 Each application or filing made under this section shall  
103 include the social security number(s) of the applicant in  
104 accordance with Section 93-11-64, Mississippi Code of 1972.

105 **SECTION 3.** This act shall take effect and be in force from  
106 and after July 1, 2005.