

**SUBSTITUTE FOR
HOUSE BILL NO. 4892**

A bill to amend 1980 PA 299, entitled
"Occupational code,"
by amending sections 724 and 728 (MCL 339.724 and 339.728), as
amended by 2018 PA 81.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 724. This article does not prohibit the following:

2 (a) An individual who is not a certified public accountant
3 from serving as an employee of, or an assistant to, a certified
4 public accountant or firm composed of certified public accountants
5 who are licensed to practice under this article if the individual
6 does not issue an accounting or financial statement over ~~his or her~~
7 **the individual's** name.

8 (b) A licensed certified public accountant of another



1 licensing jurisdiction who does not meet the requirements of
2 section 727a, or an accountant who is licensed in a foreign country
3 for the practice of public accounting in that country, from
4 temporarily and periodically engaging in the practice of public
5 accounting in this state if all of the following requirements are
6 met:

7 (i) The individual is conducting a regular practice of public
8 accounting in another licensing jurisdiction or foreign country.

9 (ii) The temporary practice is conducted in conformity with
10 section 736 and applicable rules promulgated by the director, if
11 any.

12 (iii) The individual secures a temporary permit from the
13 department to conduct the practice in this state.

14 (c) A practicing attorney from preparing reports or presenting
15 records customarily prepared by an attorney in connection with the
16 attorney's professional work.

17 (d) A person from preparing a financial report or tax return,
18 not requiring the expression of an opinion on the report or return,
19 for filing with a federal, state, or local governmental unit.

20 (e) An officer, employee, partner, or principal of an
21 organization from signing a statement or report in reference to the
22 financial affairs of the organization with wording designating the
23 position, title, or office which the officer, employee, partner, or
24 principal of an organization holds in that organization.

25 (f) An act of a public official or public employee in the
26 performance of that individual's official duties.

27 (g) An individual who may be employed by more than 1
28 individual or firm from keeping books, making trial balances or
29 statements, and preparing audits or reports, if the audits or



1 reports are not used or issued by the employer as having been
2 prepared by a certified public accountant.

3 (h) A firm that does not hold a valid license under section
4 728 and that does not have an office in this state from providing
5 ~~its~~**the firm's** professional services in this state in the practice
6 of public accountancy and from using the certified public
7 accountant designation so long as ~~it~~**the firm** complies with the
8 requirements of section 728(4), ~~or~~(5), **or (6)**, whichever is
9 applicable.

10 Sec. 728. (1) ~~A~~**Except as otherwise provided in this section,**
11 **a** firm that establishes or maintains an office in this state must
12 apply for and obtain a Michigan license under this article in order
13 to engage in the practice of public accounting in this state.

14 (2) A firm that is applying for licensure under this article
15 shall meet both of the following requirements:

16 (a) At least a simple majority of the equity and voting rights
17 of the firm are held directly or beneficially by individuals who
18 are licensed in good standing as certified public accountants of
19 this state or another state or the equivalent in another licensing
20 jurisdiction acceptable to the board. Each owner who is not a
21 certified public accountant must be an active individual
22 participant in the firm or 1 or more of ~~its~~**the firm's** affiliated
23 entities. An individual with practice privileges under section 727a
24 who performs services for which a firm license is required under
25 this section is not required to obtain a certificate under section
26 726 or a registration or license under section 727.

27 (b) All attest and compilation services provided by the firm
28 in this state are performed under the supervision of an individual
29 who is licensed and in good standing as a certified public



1 accountant in this state or another state or holds an equivalent
 2 authorization to practice public accounting from another licensing
 3 jurisdiction acceptable to the board.

4 (3) A firm shall notify the department of any change in
 5 address ~~within~~ **not more than** 30 days ~~of~~ **after** the change in
 6 **address.**

7 (4) A firm that is not required to obtain a Michigan license
 8 under subsection (1) may perform a review engagement in accordance
 9 with the statements on standards for accounting and review
 10 services, perform an examination, a review, or agreed-upon
 11 procedures engagement in accordance with the statements on
 12 standards for attestation engagements, or perform a compilation for
 13 a client in this state, only if ~~it~~ **the firm** meets each of the
 14 following conditions:

15 (a) ~~It~~ **The firm** has met the requirements in subsection (2)(a)
 16 and (b) and section 729(2).

17 (b) ~~It~~ **The firm** performs those services through an individual
 18 who has practice privileges under section 727a.

19 (c) ~~It~~ **The firm** is authorized or permitted to perform those
 20 services in the licensing jurisdiction where the individual
 21 described in subdivision (b) has ~~his or her~~ **the individual's**
 22 principal place of business.

23 (5) A firm that is not required to obtain a Michigan license
 24 under subsection (1) and that is not seeking to practice under
 25 subsection (4) may perform attest services, or any other
 26 professional services within the practice of public accountancy,
 27 while using the title "CPA" or "CPA firm" in this state without a
 28 license issued under subsection (1) only if ~~it~~ **the firm** meets all
 29 of the following conditions:



1 (a) ~~It~~**The firm** performs those services through an individual
2 with practice privileges under section 727a.

3 (b) ~~It~~**The firm** is authorized or permitted to perform those
4 services in the licensing jurisdiction where the individual
5 described in subdivision (a) has ~~his or her~~**the individual's**
6 principal place of business.

7 (c) ~~It~~**The firm** meets the requirements in subsection (2)(a)
8 and (b) and section 729(2).

9 **(6) An individual who is licensed as a certified public**
10 **accountant under this article and is operating a sole**
11 **proprietorship that establishes or maintains an office in this**
12 **state is not required to apply for and obtain a license under**
13 **subsection (1) in order to engage in the practice of public**
14 **accounting in this state.**

15 Enacting section 1. This amendatory act takes effect 90 days
16 after the date it is enacted into law.