

104TH GENERAL ASSEMBLY

State of Illinois

2025 and 2026

HB2459

Introduced 2/4/2025, by Rep. Natalie A. Manley - Amy Elik

SYNOPSIS AS INTRODUCED:

See Index

Amends the Illinois Public Accounting Act. Changes the definition of "CPA firm" to remove a reference to limited liability companies and to include professional limited liability companies. Changes references from "substantial equivalency" to "enhanced mobility". Changes provisions regarding substantial equivalency for an individual whose principal place of business is not in the State but who has a valid CPA license issued by another state to require that the licensure requirements of the issuing state must be equivalent to the criteria in the Act or, if the licensure requirements of the issuing state are not equivalent, to require that the individual must petition the Public Accountant Registration and Licensure Committee for, and obtain from the Public Accountant Registration and Licensure Committee, an equivalency determination (instead of requiring a verification of the criteria by the National Qualification Appraisal Service of the National Association of State Boards of Accountancy). Provides that, on and after January 1, 2027, the Department may license as licensed CPAs, individuals who have received a bachelor's degree in accounting from an accredited college or university and an exam certificate or certification from the Board and have had at least 2 years of experience as defined by Department of Financial and Professional Regulation rule. Provides that, on and after January 1, 2027, the Department may license as licensed CPAs individuals who have received a master's degree, a bachelor's degree with 30 hours of accounting from an accredited college or university and an exam certificate or certification from the Board, and at least one year of experience as defined by Department rule. Changes the organization that the Department may rely on for enhanced mobility determinations from the National Qualification Appraisal Service of the National Association of State Board of Accountancy to the Public Accountant Registration and Licensure Committee. Makes conforming and other changes.

LRB104 08234 AAS 18284 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Accounting Act is amended
5 by changing Sections 0.03, 3, 5.2, 8, 14, 14.2, and 28 as
6 follows:

7 (225 ILCS 450/0.03) (from Ch. 111, par. 5500.03)

8 (Section scheduled to be repealed on January 1, 2029)

9 Sec. 0.03. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Accountancy activities" means the services as set forth
12 in Section 8.05 of this Act.

13 "Address of record" means the designated address recorded
14 by the Department in the applicant's, licensee's, or
15 registrant's application file or license file maintained by
16 the Department's licensure maintenance unit. It is the duty of
17 the applicant, licensee, or registrant to inform the
18 Department of any change of address, and those changes must be
19 made either through the Department's website or by directly
20 contacting the Department.

21 "Certification" means certification by the Board or
22 University or similar jurisdictions specifying an individual
23 has successfully passed all sections and requirements of the

1 Uniform Certified Public Accountant Examination and
2 verification of completion of the academic requirements for
3 licensure under Sections 3 and 14 ~~of 150 credit hours.~~
4 Certification by the Board or University or similar
5 jurisdiction does not confer the ability to use the CPA title
6 and is not equivalent to a registration or license under this
7 Act.

8 "Compilation" means providing a service to be performed in
9 accordance with Statements on Standards for Accounting and
10 Review Services that is presented in the form of financial
11 statements or information that is the representation of
12 management or owners without undertaking to express any
13 assurance on the statements.

14 "Coordinator" means the CPA Coordinator.

15 "CPA" or "C.P.A." means a certified public accountant who
16 holds a license or registration issued by the Department or an
17 individual authorized to use the CPA title under Section 5.2
18 of this Act.

19 "CPA firm" means a sole proprietorship, ~~a~~ corporation,
20 registered limited liability partnership, ~~limited liability~~
21 ~~company,~~ professional limited liability company, partnership,
22 professional service corporation, or any other form of
23 organization issued a license in accordance with this Act or a
24 CPA firm authorized to use the CPA firm title under Section 5.2
25 of this Act.

26 "CPA (inactive)" means a licensed certified public

1 accountant who elects to have the Department place the
2 licensee's license on inactive status pursuant to Section 17.2
3 of this Act.

4 "Email address of record" means the designated email
5 address recorded by the Department in the applicant's
6 application file or the licensee's license file, as maintained
7 by the Department's licensure maintenance unit.

8 "Exam certificate" means an exam certificate issued by the
9 Board, the University, or a similar jurisdiction specifying
10 that an individual has successfully passed all sections and
11 requirements of the Uniform Certified Public Accountant
12 Examination. An exam certificate issued by the Board, the
13 University, or a similar jurisdiction does not confer the
14 ability to use the CPA title and is not equivalent to a
15 registration or license under this Act.

16 "Financial statement" means a structured presentation of
17 historical financial information, including, but not limited
18 to, related notes intended to communicate an entity's economic
19 resources and obligations at a point in time or the changes
20 therein for a period of time in accordance with generally
21 accepted accounting principles (GAAP) or other comprehensive
22 basis of accounting (OCBOA).

23 "Other attestation engagements" means an engagement
24 performed in accordance with the Statements on Standards for
25 Attestation Engagements.

26 "Registered Certified Public Accountant" or "registered

1 CPA" means any person who has been issued a registration under
2 this Act as a Registered Certified Public Accountant.

3 "Report", when used with reference to financial
4 statements, means an opinion, report, or other form of
5 language that states or implies assurance as to the
6 reliability of any financial statements and that also includes
7 or is accompanied by any statement or implication that the
8 person or firm issuing it has special knowledge or competence
9 in accounting or auditing. Such a statement or implication of
10 special knowledge or competence may arise from use by the
11 issuer of the report of names or titles indicating that the
12 person or firm is an accountant or auditor, or from the
13 language of the report itself. "Report" includes any form of
14 language that disclaims an opinion when the form of language
15 is conventionally understood to imply any positive assurance
16 as to the reliability of the financial statements referred to
17 or special competence on the part of the person or firm issuing
18 such language; it includes any other form of language that is
19 conventionally understood to imply such assurance or such
20 special knowledge or competence.

21 "Licensed Certified Public Accountant" or "licensed CPA"
22 means any person licensed under this Act as a Licensed
23 Certified Public Accountant.

24 "Committee" means the Public Accountant Registration and
25 Licensure Committee appointed by the Secretary.

26 "Department" means the Department of Financial and

1 Professional Regulation.

2 "License", "licensee", and "licensure" refer to the
3 authorization to practice under the provisions of this Act.

4 "Peer review" means a study, appraisal, or review of one
5 or more aspects of a CPA firm's or sole practitioner's
6 compliance with applicable accounting, auditing, and other
7 attestation standards adopted by generally recognized
8 standard-setting bodies.

9 "Principal place of business" means the office location
10 designated by the licensee from which the person directs,
11 controls, and coordinates one's professional services.

12 "Review committee" means any person or persons conducting,
13 reviewing, administering, or supervising a peer review
14 program.

15 "Secretary" means the Secretary of the Department of
16 Financial and Professional Regulation.

17 "University" means the University of Illinois.

18 "Board" means the Board of Examiners established under
19 Section 2.

20 "Registration", "registrant", and "registered" refer to
21 the authorization to hold oneself out as or use the title
22 "Registered Certified Public Accountant" or "Certified Public
23 Accountant", unless the context otherwise requires.

24 "Peer Review Administrator" means an organization
25 designated by the Department that meets the requirements of
26 subsection (f) of Section 16 of this Act and other rules that

1 the Department may adopt.

2 (Source: P.A. 102-222, eff. 1-1-22; 103-309, eff. 1-1-24.)

3 (225 ILCS 450/3) (from Ch. 111, par. 5504)

4 (Section scheduled to be repealed on January 1, 2029)

5 Sec. 3. Qualifications of applicants. The Board shall
6 certify applicants who successfully complete all portions of
7 the examination and verify completion of 150 or 120 semester
8 credit hours, whichever applies to the applicant.

9 (a) To be admitted to take the examination after the year
10 2000 and before January 1, 2023, for the purpose of
11 determining the qualifications of applicants for certificates
12 as certified public accountants under this Act, the applicants
13 shall be required to present proof of the successful
14 completion of 150 college or university semester hours of
15 study or the applicant's quarter-hour or other academic credit
16 unit equivalent, to include a baccalaureate or higher degree
17 conferred by a college or university acceptable to the Board,
18 the total educational program to include an accounting
19 concentration or equivalent as determined by Board rule. In
20 adopting those rules, the Board shall consider, among other
21 things, any impediments to the interstate practice of public
22 accounting that may result from differences in the
23 requirements in other states.

24 (b) Beginning January 1, 2023, an applicant for the
25 examination shall be required to present proof of 120 college

1 or university semester hours of study or the applicant's
2 quarter-hour or other academic credit unit equivalent, to
3 include a baccalaureate or higher degree conferred by a
4 college or university acceptable to the Board, the total
5 education program to include an accounting concentration or
6 equivalent as determined by Board rule. Applicants shall
7 receive certification by the Board upon successful passage of
8 all sections and requirements of the Uniform Certified Public
9 Accountant Examination and verification of completion of
10 educational requirements as determined by rule.

11 (c) In adopting rules, the Board shall consider, among
12 other things, any impediments to the interstate practice of
13 public accounting that may result from differences in the
14 requirements in other states.

15 (Source: P.A. 102-222, eff. 1-1-22; 103-309, eff. 1-1-24.)

16 (225 ILCS 450/5.2)

17 (Section scheduled to be repealed on January 1, 2029)

18 Sec. 5.2. Enhanced mobility ~~Substantial equivalency~~.

19 (a) An individual whose principal place of business is not
20 in this State shall have all the privileges of a person
21 licensed under this Act as a licensed CPA without the need to
22 obtain a license from the Department or to file notice with the
23 Department, if the individual:

24 (1) holds a valid license as a certified public
25 accountant issued by another state if the licensure

1 requirements of the issuing state are equivalent to the
2 criteria outlined in Section 14 ~~that the National~~
3 ~~Qualification Appraisal Service of the National~~
4 ~~Association of State Boards of Accountancy has verified to~~
5 ~~be in substantial equivalence with the CPA licensure~~
6 ~~requirements of the Uniform Accountancy Act of the~~
7 ~~American Institute of Certified Public Accountants and the~~
8 ~~National Association of State Boards of Accountancy; or~~

9 (2) holds a valid license as a certified public
10 accountant issued by another state that is not equivalent
11 to the criteria outlined in Section 14 and petitions the
12 Committee for, and obtains from the Committee, an
13 equivalency determination of education, exam, and
14 experience ~~and obtains from the National Qualification~~
15 ~~Appraisal Service of the National Association of State~~
16 ~~Boards of Accountancy verification that the individual's~~
17 ~~CPA qualifications are substantially equivalent to the CPA~~
18 ~~licensure requirements of the Uniform Accountancy Act of~~
19 ~~the American Institute of Certified Public Accountants and~~
20 ~~the National Association of State Boards of Accountancy;~~
21 however, any individual who has passed the Uniform CPA
22 Examination and holds a valid license issued by any other
23 state prior to January 1, 2012 shall be exempt from the
24 education requirements of Section 3 of this Act for the
25 purposes of this item (2).

26 (a-5) A CPA firm whose principal place of business is not

1 in this State shall have all the privileges of a CPA firm
2 licensed under this Act without the need to obtain a license
3 from the Department or to file notice with the Department if
4 the CPA firm complies with the requirements outlined in
5 Sections 14.4 and 16 through enhanced mobility ~~substantial~~
6 ~~equivalency~~ of the firm's licensed state.

7 (b) Notwithstanding any other provision of law, an
8 individual or CPA firm who offers or renders professional
9 services under this Section, whether in person or by mail,
10 telephone, or electronic means, shall be granted practice
11 privileges in this State and no notice or other submission
12 must be provided by any such individual or CPA firm.

13 (c) An individual licensee or CPA firm of another state
14 exercising the privilege afforded under this Section and the
15 CPA firm that employs such individual licensee, if any, as a
16 condition of the grant of this privilege, hereby
17 simultaneously consents:

18 (1) to the personal and subject matter jurisdiction
19 and disciplinary authority of the Department;

20 (2) to comply with this Act and the Department's rules
21 adopted under this Act;

22 (3) that in the event that the license from the state
23 of the individual's or CPA firm's principal place of
24 business is no longer valid, the individual or CPA firm
25 shall cease offering or rendering accountancy activities
26 as outlined in paragraphs (1) and (2) of Section 8.05 in

1 this State individually or on behalf of a CPA firm; and

2 (4) to the appointment of the state board that issued
3 the individual's or the CPA firm's license as the agent
4 upon which process may be served in any action or
5 proceeding by the Department against the individual or CPA
6 firm.

7 (d) An individual licensee who qualifies for practice
8 privileges under this Section who, for any entity
9 headquartered in this State, performs (i) a financial
10 statement audit or other engagement in accordance with
11 Statements on Auditing Standards; (ii) an examination of
12 prospective financial information in accordance with
13 Statements on Standards for Attestation Engagements; or (iii)
14 an engagement in accordance with Public Company Accounting
15 Oversight Board Auditing Standards may only do so through a
16 CPA firm licensed under this Act or a CPA firm with practice
17 privileges under this Section.

18 (e) A CPA firm that qualifies for practice privileges
19 under this Section and, for any entity headquartered in this
20 State, performs the following may only do so through an
21 individual or individuals licensed under this Act or an
22 individual or individuals with practice privileges under this
23 Section:

24 (1) a financial statement audit or other engagement in
25 accordance with Statements on Auditing Standards;

26 (2) an examination of prospective financial

1 information in accordance with Statements on Standards for
2 Attestation Engagements; or

3 (3) an engagement in accordance with Public Company
4 Accounting Oversight Board auditing standards.

5 (Source: P.A. 103-309, eff. 1-1-24.)

6 (225 ILCS 450/8) (from Ch. 111, par. 5509)

7 (Section scheduled to be repealed on January 1, 2029)

8 Sec. 8. Practicing as a licensed CPA. Persons, either
9 individually, as members of a partnership ~~or limited~~
10 ~~liability company~~, or as officers of a corporation, who sign,
11 affix, or associate names or any trade or assumed names used by
12 the persons in a profession or business to any report
13 expressing or disclaiming an opinion on a financial statement
14 based on an audit or examination of that statement, or
15 expressing assurance on a financial statement, shall be deemed
16 to be in practice as licensed CPAs and are performing
17 accountancy activities as outlined in paragraph (1) of
18 subsection (a) of Section 8.05.

19 (Source: P.A. 103-309, eff. 1-1-24.)

20 (225 ILCS 450/14) (from Ch. 111, par. 5515)

21 (Section scheduled to be repealed on January 1, 2029)

22 Sec. 14. Qualifications for licensure as a licensed CPA.
23 The Department may license as licensed CPAs individuals
24 meeting the following requirements:

1 (a) All persons who have received exam certificates or
2 certifications as certified public accountants from the Board
3 or who hereafter received registrations as registered CPAs
4 from the Department who have had at least one year of full-time
5 experience, or its equivalent, providing any type of service
6 or advice involving the use of accounting, audit, management
7 advisory, financial advisory, tax, consulting skills, or other
8 attestation engagements which may be gained through employment
9 in government, industry, academia, or public practice.

10 (a-5) If the applicant's exam certificate or certification
11 as a certified public accountant from the Board or the
12 applicant's registration as a registered CPA from the
13 Department was issued more than 4 years prior to the
14 application for a license as a licensed CPA under this
15 Section, the applicant shall submit any evidence the
16 Department may require showing the applicant has completed not
17 less than 90 hours of continuing professional education
18 acceptable to the Department within the 3 years immediately
19 preceding the date of application.

20 (b) (Blank).

21 (c) On and after January 1, 2027, all persons who have
22 received a bachelor's degree in accounting from an accredited
23 college or university and an exam certificate or certification
24 from the Board and who have had at least 2 years of experience
25 as defined by Department rule.

26 (d) On and after January 1, 2027, all persons who have

1 received a master's degree, a bachelor's degree with 30 hours
2 of accounting from an accredited college or university, and an
3 exam certificate or certification from the Board and who have
4 had at least one year of experience as defined by Department
5 rule.

6 (Source: P.A. 102-222, eff. 1-1-22.)

7 (225 ILCS 450/14.2)

8 (Section scheduled to be repealed on January 1, 2029)

9 Sec. 14.2. Licensure by endorsement.

10 (a) The Department shall issue a license as a licensed CPA
11 to any applicant who holds a current, valid, and unrevoked
12 license as a certified public accountant issued from another
13 state with equivalent educational requirements and examination
14 standards, applies to the Department on forms supplied by the
15 Department, and pays the required fee, provided:

16 (1) the individual applicant is determined by the
17 Department to possess qualifications ~~substantially~~
18 equivalent to this State's current licensing requirements;

19 (2) at the time the applicant became licensed, the
20 applicant possessed qualifications ~~substantially~~
21 equivalent to the qualifications for licensure then in
22 effect in this State; or

23 (3) the applicant has, after passing the examination
24 upon which licensure to practice was based, satisfied
25 experience requirements ~~not less than 4 years of~~

1 ~~experience~~ as outlined in Section 14 of this Act within
2 the 10 years immediately before the application.

3 (b) In determining the enhanced mobility ~~substantial~~
4 ~~equivalency~~ of any state's requirements to Illinois'
5 requirements, the Department may rely on the determinations by
6 the Committee ~~of the National Qualification Appraisal Service~~
7 ~~of the National Association of State Boards of Accountancy~~ or
8 such other qualification appraisal service as it deems
9 appropriate.

10 (c) Applicants have 3 years from the date of application
11 to complete the application process. If the process has not
12 been completed in 3 years, the application shall be denied,
13 the fee shall be forfeited, and the applicant must reapply and
14 meet the requirements in effect at the time of reapplication.

15 (d) Any individual who is the holder of a current, valid,
16 and not previously disciplined license as a certified public
17 accountant of any state and has applied ~~in writing~~ to the
18 Department in form and substance satisfactory to the
19 Department for a license as a licensed CPA may perform
20 accountancy activities as set forth in Section 8.05 until the
21 earlier of the following dates:

22 (1) the expiration of 6 months after filing the
23 ~~written~~ application; or

24 (2) the denial of the application by the Department.

25 Any individual performing accountancy activities under
26 this subsection (d) shall be subject to discipline in the same

1 manner as an individual licensed under this Act.

2 (Source: P.A. 103-309, eff. 1-1-24.)

3 (225 ILCS 450/28) (from Ch. 111, par. 5534)

4 (Section scheduled to be repealed on January 1, 2029)

5 Sec. 28. Criminal penalties. Each of the following acts
6 perpetrated in the State of Illinois is a Class A misdemeanor:

7 (a) the practice of accountancy activities as defined
8 in paragraph (1) of subsection (a) of Section 8.05 without
9 an active CPA license in violation of the provisions of
10 this Act;

11 (b) the obtaining or attempting to obtain licensure as
12 a licensed CPA or registration as a registered CPA by
13 fraud;

14 (c) the use of the title "Certified Public
15 Accountant", "public accountant", or the abbreviation
16 "C.P.A.", "RCPA", "LCPA", "PA" or use of any similar words
17 or letters indicating the user is a certified public
18 accountant, or the title "Registered Certified Public
19 Accountant";

20 (c-5) (blank);

21 (d) the use of the title "Certified Public
22 Accountant", "public accountant", or the abbreviation
23 "C.P.A.", "RCPA", "LCPA", "PA" or any similar words or
24 letters indicating that the members are certified public
25 accountants, by any partnership, ~~limited liability~~

1 ~~company,~~ corporation, or other entity in violation of this
2 Act;

3 (e) the unauthorized practice in the performance of
4 accountancy activities as defined in Section 8.05 and in
5 violation of this Act;

6 (f) (blank);

7 (g) making false statements to the Department
8 regarding compliance with continuing professional
9 education or peer review requirements;

10 (h) (Blank).

11 (Source: P.A. 98-254, eff. 8-9-13; 98-756, eff. 7-16-14.)

1 INDEX

2 Statutes amended in order of appearance

3	225 ILCS 450/0.03	from Ch. 111, par. 5500.03
4	225 ILCS 450/3	from Ch. 111, par. 5504
5	225 ILCS 450/5.2	
6	225 ILCS 450/8	from Ch. 111, par. 5509
7	225 ILCS 450/14	from Ch. 111, par. 5515
8	225 ILCS 450/14.2	
9	225 ILCS 450/28	from Ch. 111, par. 5534