



Header: CPA Pipeline Initiatives Make Progress in Kentucky
Sub-Header: KyCPA's Weekly Recap of the General Assembly
February 20, 2024

CPA Day 2024



Photo Caption: House Majority Caucus Chair, Representative Suzanne Miles (Daviness County), provides a policy update at CPA Day in the Kentucky Capitol on January 31, 2024.

CPA pipeline initiatives make progress through Kentucky General Assembly

Last Monday, February 12, two regulatory amendments were heard in the Kentucky Administrative Regulation Review Subcommittee at the Capitol. The Kentucky State Board of Accountancy, in collaboration with KyCPA, testified in support of specific amendments to [201 KAR 001:190](#), which will **permanently extend the CPA exam timeline from 18 to 30 months**, allowing CPA candidates more flexibility and time to complete all four sections. The extension to

30 months originated from other state societies' and KyCPA's official **comment letter** submitted April 2023 requesting a 36-month timeline. After receiving hundreds of comments requesting an expansion of the 18-month window, the National Association of State Boards of Accountancy (NASBA) adopted an amendment to the Uniform Accountancy Act Model Rules endorsing the 30-month CPA exam timeline in all 50 states.

The amendments will further **eliminate the cap on the amount of internship hours that can satisfy the 150 credit hour requirement** outlined by [KRS 325.261\(5\)](#). Kentucky currently has a six-hour maximum for internship hours that count towards a CPA candidate's 150 credit hours. With this amendment, students can utilize direct accounting experience and internships to fulfill the credit hour requirement without a specified limit. Both amendments were approved by the Subcommittee and will now move into the final stages of review before implementation.

Once the new regulations are effective, KyCPA will send out a notification to the membership. These regulatory amendments are part of KyCPA's greater initiative to improve the accounting student pipeline outlined in the 2024 policy priorities booklet.

KyCPA 2024 Policy Priorities



Bills to keep an eye on

For the seventh week of the 2024 Legislative Session, the Kentucky General Assembly saw little movement on the budget and tax policy front. The primary budget bills remain under review in the Senate Appropriations & Revenue Committee. Check out the priority bills and issues KyCPA is tracking below:

- **Budget bills:** [HB1](#) authorizes one-time appropriations while [HB6](#) serves as the operating budget for the Executive Branch. [HB262](#) amends the FY2022-2024 Executive Branch budget, [HB263](#) funds the Legislative Branch, and [HB264](#) the Judicial Branch of the Commonwealth.
 - Status: *Referred to Senate Appropriations & Revenue, 2/6/2024*
- **Limited liability entity tax:** [HB55](#) would implement a complete repeal of the tax and [HB120](#) would allow entities with gross receipts of less than \$100,00 to be exempt from the tax.
 - Status: *Both bills are awaiting further review in the Kentucky House.*
- **Consumer data privacy:** [HB15](#) creates a set of rights for Kentucky citizens accessing the internet and social media platforms pertaining to their individual data.
 - Financial institutions, as defined by the Gramm-Leach-Bliley Act, are not subject to this proposed law therefore, the majority of CPA firms are excluded.
 - Status: *Awaiting a Kentucky House Floor vote, 2/16/2024*
- **Federal legislation:** [H.R.7024](#), *Tax Relief for American Families & Workers Act of 2024*, is currently under review in the U.S. Senate. [H.R.7160](#), *SALT Marriage Penalty Elimination Act*, has been referred to U.S. House Ways & Means Committee for consideration.

Review all priority legislation KyCPA is tracking [HERE](#).

AICPA BOI Resources

The American Institute of CPAs (AICPA) has published [an article](#) reviewing the professional liability risks to CPAs performing services related to the Corporate Transparency Act (CTA) and Beneficial Ownership Information (BOI) reporting.

Accounting firms have also raised questions regarding potential coverage for services delivered to clients related to the CTA. This [article from CNA](#) is designed to provide some general guidance regarding how CNA's accountants professional liability policies might respond to these questions.

LMRC: FEIN registration requirement for SMLLCs

For Louisville Metro tax practitioners and clients, the following update to the revised timeline regarding implementation of Louisville Metro Revenue Commission (LMRC) Regulations §1.04,

§1.07 extends the guidance issued in the [bulletin](#) published on April 11, 2023 regarding the FEIN registration requirement for single member limited liability entity companies (SMLLCs). For the 2024 tax year, LMRC published this updated [bulletin](#) regarding the announcement.

KyCPA worked in collaboration with LMRC to extend this relief to prepare both tax practitioners and administrators for the regulation's proper implementation.

KyCPA-PAC, [Kentucky Counts on CPAs](#)

The KyCPA Political Action Committee (KyCPA-PAC) enables the CPA profession to elect business-minded legislators who support our position on issues related to tax, licensing, and client advisory services. By pooling our resources, together we can ensure the accounting profession continues to have a strong presence in Kentucky's legislative and regulatory activities.

For more information on KyCPA-PAC, what it is, why it is important, and how you can support, visit www.kycpa.org/advocacy/pac.