

**Department of State  
Division of Publications**

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Sequence Number: 02-20-24  
Rule ID(s): 10042-10043  
File Date: 2/28/2024  
Effective Date: 5/28/2024

## Rulemaking Hearing Rule(s) Filing Form

*Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing (Tenn. Code Ann. § 4-5-205).*

*Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).*

**Agency/Board/Commission:** State Board of Accountancy  
**Division:** Regulatory Boards  
**Contact Person:** Neil Stauffer  
**Address:** 500 James Robertson Parkway, Nashville, Tennessee  
**Zip:** 37243  
**Phone:** (615) 741-1910  
**Email:** [Neil.Stauffer@tn.gov](mailto:Neil.Stauffer@tn.gov)

**Revision Type (check all that apply):**

☒ Amendment ☐ Content based on previous emergency rule filed on \_\_\_\_\_  
☐ New ☐ Content is identical to the emergency rule  
☐ Repeal

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0020-01	Licensing and Registration Requirements
Rule Number	Rule Title
0020-01-.06	Examinations
Chapter Number	Chapter Title
0020-02	Educational and Experience Requirements
Rule Number	Rule Title
0020-02-.02	Education

Chapter 0020-01  
Licensing and Registration Requirements  
Amendments

Rule 0020-01-.06 Examinations, Paragraph (6) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

- (6) The following shall apply to the computer-based Uniform CPA Examination:
- (a) A candidate may take the required test sections individually and in any order. Credit for passing any test section shall be valid for that test section for thirty (30) months from the date the passing score for such test section is released by NASBA to the candidate or the Board, as the case may be, regardless of the number of test sections taken or having to attain a minimum score on any failed section(s).
    - 1. A candidate shall pass all required test sections within a rolling thirty (30) month period. The rolling thirty (30) month period begins on the date the first passing score(s) are released by NASBA to the candidate or the Board, as the case may be. The rolling thirty (30) month period concludes on the date the candidate sits for the final test section passed, regardless of when the score is released by NASBA for the final test section.
    - 2. A candidate who earns initial credit on one or more test section(s) of the CPA examination must sit for and complete the remaining required test section(s) of the examination on or before the expiration date as shown on the Uniform CPA Examination score notice.
    - 3. If all required test sections are not passed within this initial thirty (30) month period, credit for the first test section(s) passed shall expire and a new rolling thirty (30) month period shall begin on the date the second passing score(s) were released by NASBA to the candidate or the Board, as the case may be, and continue for thirty (30) months from that date. If all required test section(s) are not passed within this next rolling thirty (30) month period, credit for the second test section(s) passed shall expire and a new rolling thirty (30) month period will begin on the date the next test section passing score, if any, was released by NASBA to the candidate or the Board, as the case may be, and this cycle of thirty (30) months rolling periods and test section credit expirations will continue until all test sections are passed within one thirty (30) month rolling period. Notwithstanding the foregoing, if a candidate stops testing for a thirty (30) month period, then all credit for previously passed test sections will expire.
  - (b) A candidate shall not retake a failed test section until the candidate has been notified of the score for the most recent attempt of that failed test section.
  - (c) A candidate shall be deemed to have passed the examination if the candidate obtains credit for passing all required test sections in one rolling thirty (30) month period.
  - (d) A candidate shall retain credit for any and all required test sections of the examination passed as a candidate of another state if such credit would have been given under then applicable requirements in this state.
  - (e) Notwithstanding subsections (a), (b), and (c) of this Rule, the period of time in which to pass all required test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of individual hardship including, but not limited to, health; military service; disruption at a local, regional, or national level impacting the candidate; or other circumstances beyond the candidate's control.

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Rule 0020-01-.06 Examinations, Paragraph (11) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

- (11) A candidate who applies for a license more than ten (10) years after the date upon which the candidate passed the last section of the Uniform CPA Examination must also document eighty (80) hours of continuing professional education in technical fields of study earned within the twenty-four (24) months immediately preceding the date of application. Of the eighty (80) hours required, at least two (2) hours shall consist of a board-approved state-specific ethics course. Qualifying continuing professional education is found in rule 0020-05-.04.

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Chapter 0020-02  
Educational and Experience Requirements  
Amendments

Rule 0020-02-.02 Education, Paragraph (1) is amended by deleting the text of subparagraph (c) in its entirety and substituting language so that, as amended, the subparagraph shall read:

- (c) Not more than nine (9) semester or equivalent quarter hours may be internship programs. Of these nine (9) semester hours or equivalent quarter hours, a maximum of six (6) semester hours or equivalent quarter hours may be applied to the thirty (30) semester or forty-five (45) quarter hours in accounting; and,

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Rules of Tennessee State Board of Accountancy  
Chapter 0020-01 Licensing and Registration Requirements, Rule 0020-01-.06 Examinations  
Chapter 0020-02 Educational and Experience Requirements, Rule 0020-02-.02 Education

If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Jack A. Bonner, Jr.	X				
Larry Elmore	X				
Gregory Gilbert	X				
Janet Booker-Davis	X				
Pamela Church	X				
David Crenshaw	X				
John Griesbeck	X				
Kevin Monroe				X	
Gay Moon	X				
Robert Vance	X				
Brad Floyd	X				

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Tennessee Board of Accountancy (board/commission/other authority) on 10/20/2023 (mm/dd/yyyy), and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/04/2023

Rulemaking Hearing(s) Conducted on: (add more dates). 10/20/2023

Date: 1/26/2024

Signature: 

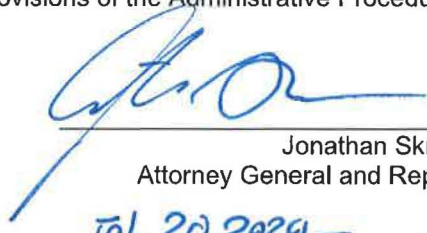
Name of Officer: Neil Stauffer

Title of Officer: Associate General Counsel

Agency/Board/Commission: Tennessee Board of Accountancy

Rule Chapter Number(s): 0020-01-.06 Examinations  
0020-02-.02 Education

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

  
Jonathan Skrmetti  
Attorney General and Reporter

Feb. 20, 2024  
Date

Rules of Tennessee State Board of Accountancy  
Chapter 0020-01 Licensing and Registration Requirements, Rule 0020-01-.06 Examinations  
Chapter 0020-02 Educational and Experience Requirements, Rule 0020-02-.02 Education

**Department of State Use Only**

Filed with the Department of State on: 2/28/2024

Effective on: 5/28/2024

  
\_\_\_\_\_  
Tre Hargett  
Secretary of State

RECEIVED

Feb 28 2024, 10:49 am

Secretary of State  
Division of Publications

**Public Hearing Comments**

The Board received no public comments prior to the hearing, or during the rulemaking hearing.



### **Regulatory Flexibility Addendum**

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

#### **The type or types of small business and an identification and estimate of the number of small businesses subject to the rule being proposed that would bear the cost of, or directly benefit from the rule being proposed;**

The Board does not foresee small businesses bearing significant costs to comply with the rule amendments or directly benefitting from the rule amendments, as the proposed rule amendments do not address matters directly impacting small businesses. The proposed rule amendments address the allowable timeframe within which candidates for licensure must complete the computer-based Uniform CPA Examination, internship program credits, and other educational requirements for licensure for certain applicants.

#### **The projected reporting, recordkeeping and other administrative costs required for compliance with the rule being proposed, including the type of professional skills necessary for preparation of the report or record;**

There is a possibility of some additional cost for the administration and enforcement of these rule amendments, considering that examination scores will not expire under the amended rules, which will necessitate storing those records indefinitely.

#### **A statement of the probable effect on impacted small businesses and consumers;**

The Board does not foresee a significant impact on small businesses or consumers with these rule amendments.

#### **A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the rule being proposed that may exist, and to what extent the alternative means might be less burdensome to small business**

The Department knows of no other less restrictive or burdensome means than through the promulgation of these rules as amended.

#### **A comparison of the rule being proposed with any federal or state counterparts; and**

Rules and regulations for state boards of accountancy vary in some respects across the country. However, it is very likely the rule amendments are similar to current or proposed rules and regulations in other state-level jurisdictions due to a concerted effort to adopt model rule language across jurisdictions which helps facilitate license mobility. The Board is unaware of any similar existing or proposed federal rules.

#### **Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the rule being proposed.**

The Board does not foresee the need for a possible exemption of the requirements in the proposed rule amendments for small businesses. The proposed amendments are not aimed at small businesses, and any impact of these amendments on small businesses is likely negligible.

**Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228, "On any rule and regulation proposed to be promulgated, the proposing agency shall state in a simple declarative sentence, without additional comments on the merits or the policy of the rule or regulation, whether the rule or regulation may have a projected financial impact on local governments. The statement shall describe the financial impact in terms of increase in expenditures or decrease in revenues."

The Tennessee Board of Accountancy foresees no impact on any local governments.



**Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed rule amendments update requirements and guidelines for the computer-based Uniform Certified Public Accountant Examination and educational requirements for licensure. The rule amendments include lengthening the timeframe during which test section credit will remain valid and lengthening the time a candidate will be provided to pass all required test sections. Additionally, exam scores will no longer expire after ten (10) years; however, continuing professional education will be required when scores are more than ten (10) years old. Additional revised requirements have been provided regarding the number of allowable internship credit hours.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

These rule amendments are not required to achieve compliance with any state or federal law.

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

The rule amendments impact current and future applicants for a certified public accountant ("CPA") license. The Board expects applicants, CPA employers, future licensees, instructors, professors, and course providers to be proponents of the rule amendments, as the amendments expand the timeframe for candidates to pass all required test sections of the Uniform CPA Examination and set expanded expiration dates for the validity of scores. Additionally, the amendments provide for greater access for applicants applying for licensure more than ten (10) years after they passed the last section of the Uniform CPA Examination, which benefits the CPA profession and the public. Finally, the amendments increase the number of allowable internship program credit hours, providing students greater flexibility in meeting the educational requirements for licensure. The Board does not foresee a particular segment of opponents to these rule amendments.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule or the necessity to promulgate the rule;

There are no known opinions of the Attorney General and Reporter or any judicial rulings that directly relate to this rule.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

It is not anticipated that these rule amendments will directly increase or decrease revenue, although the amended rules could lead to an increased number of licensees, resulting in increased licensure revenue.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Neil Stauffer, Associate General Counsel for the Tennessee Board of Accountancy  
Wendy Garvin, Executive Director for the Tennessee Board of Accountancy

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Neil Stauffer, Associate General Counsel for the Tennessee Board of Accountancy  
Wendy Garvin, Executive Director for the Tennessee Board of Accountancy

- (H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Neil Stauffer  
500 James Robertson Parkway, Nashville TN 37243  
(615) 741-1910  
Neil.Stauffer@tn.gov

Wendy Garvin  
500 James Robertson Parkway, Nashville, TN 37243  
(615) 532-7397  
Wendy.Garvin@tn.gov

- (I) Any additional information relevant to the rule proposed for continuation that the committee requests.

There is no known additional relevant information.

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Sequence Number: \_\_\_\_\_  
Rule ID(s): \_\_\_\_\_  
File Date: \_\_\_\_\_  
Effective Date: \_\_\_\_\_

## Rulemaking Hearing Rule(s) Filing Form - **REDLINE**

*Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing (Tenn. Code Ann. § 4-5-205).*

*Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).*

<b>Agency/Board/Commission:</b>	State Board of Accountancy
<b>Division:</b>	Regulatory Boards
<b>Contact Person:</b>	Neil Stauffer
<b>Address:</b>	500 James Robertson Parkway, Nashville, Tennessee
<b>Zip:</b>	37243
<b>Phone:</b>	(615) 741-1910
<b>Email:</b>	Neil.Stauffer@tn.gov

**Revision Type (check all that apply):**

☒ Amendment  
☐ New  
☐ Repeal  
☐ Content based on previous emergency rule filed on \_\_\_\_\_  
☐ Content is identical to the emergency rule

**Rule(s)** (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please make sure that **ALL** new rule and repealed rule numbers are listed in the chart below. Please enter only **ONE** Rule Number/Rule Title per row.)

<b>Chapter Number</b>	<b>Chapter Title</b>
0020-01	Licensing and Registration Requirements
<b>Rule Number</b>	<b>Rule Title</b>
0020-01-.06	Examinations
<b>Chapter Number</b>	<b>Chapter Title</b>
0020-02	Educational and Experience Requirements
<b>Rule Number</b>	<b>Rule Title</b>
0020-02-.02	Education

Chapter 0020-01  
Licensing and Registration Requirements  
Amendments

Rule 0020-01-.06 Examinations, Paragraph (6) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

(6) The following shall apply to the computer-based Uniform CPA Examination:

- (a) A candidate may take the required test sections individually and in any order. Credit for passing any test section shall be valid for that test section for thirty (30) months from the date the passing score for such test section is released by NASBA to the candidate or the Board, as the case may be, regardless of the number of test sections taken or having to attain a minimum score on any failed section(s).
  - 1. A candidate shall pass all required test sections within a rolling thirty (30) month period. The rolling thirty (30) month period begins on the date the first passing score(s) are released by NASBA to the candidate or the Board, as the case may be. The rolling thirty (30) month period concludes on the date the candidate sits for the final test section passed, regardless of when the score is released by NASBA for the final test section.
  - 2. A candidate who earns initial credit on one or more test section(s) of the CPA examination must sit for and complete the remaining required test section(s) of the examination on or before the expiration date as shown on the Uniform CPA Examination score notice.
  - 3. If all required test sections are not passed within this initial thirty (30) month period, credit for the first test section(s) passed shall expire and a new rolling thirty (30) month period shall begin on the date the second passing score(s) were released by NASBA to the candidate or the Board, as the case may be, and continue for thirty (30) months from that date. If all required test section(s) are not passed within this next rolling thirty (30) month period, credit for the second test section(s) passed shall expire and a new rolling thirty (30) month period will begin on the date the next test section passing score, if any, was released by NASBA to the candidate or the Board, as the case may be, and this cycle of thirty (30) months rolling periods and test section credit expirations will continue until all test sections are passed within one thirty (30) month rolling period. Notwithstanding the foregoing, if a candidate stops testing for a thirty (30) month period, then all credit for previously passed test sections will expire.
- (b) A candidate shall not retake a failed test section until the candidate has been notified of the score for the most recent attempt of that failed test section.
- (c) A candidate shall be deemed to have passed the examination if the candidate obtains credit for passing all required test sections in one rolling thirty (30) month period.
- (d) A candidate shall retain credit for any and all required test sections of the examination passed as a candidate of another state if such credit would have been given under then applicable requirements in this state.
- (e) Notwithstanding subsections (a), (b), and (c) of this Rule, the period of time in which to pass all required test sections of the examination may be extended by the Board upon a showing that the credit was lost by reason of individual hardship including, but not limited to, health; military service; disruption at a local, regional, or national level impacting the candidate; or other circumstances beyond the candidate's control.

~~(a) Candidates may take the required test sections individually and in any order. Credit for any test section(s) passed shall be valid for a period of eighteen (18) months and be calculated from the actual date the~~

~~candidate took that test section, without having to attain a minimum score on any failed test section(s) and without regard to whether the candidate has taken the remaining test sections.~~

- ~~1. Candidates must pass all required test sections of the Uniform CPA Examination within a rolling eighteen (18) month period, which begins on the date that the first test section(s) passed is taken.~~
    - ~~(i) Candidates cannot retake a failed test section(s) in the same examination window. An examination window refers to a three-month cycle in which candidates have an opportunity to take the CPA examination.~~
    - ~~(ii) Notwithstanding subpart (6)(a)1.(i), the Board shall allow a candidate to retake failed test sections within a continuous eighteen (18) month period without a three (3) month window restriction once the restriction has been eliminated by those charged with governance of the Uniform CPA exam.~~
  - ~~2. In the event a candidate does not pass all required test sections of the Uniform CPA Examination within eighteen (18) months, credit for any test section(s) passed outside the eighteen (18) months will expire and that test section(s) must be retaken.~~
- ~~(b) A candidate shall retain credit for any and all test sections of an examination passed in another state if such credit would have been given, under then applicable requirements, if the candidate had taken the examination in this state.~~
- ~~(c) The Board may in particular cases extend the term of conditional credit notwithstanding the requirements of these rules, upon a showing that the credit was lost by reason of circumstances beyond the candidate's control.~~
- ~~(d) A candidate shall be deemed to have passed the Uniform CPA Examination once the candidate holds at the same time valid credit for passing each of the required test sections of the examination. For purposes of this section, credit for passing a test section of the computer based examination is valid from the actual date of the testing event for that test section, regardless of the date the candidate actually receives notice of the passing grade.~~

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Rule 0020-01-.06 Examinations, Paragraph (11) is amended by deleting the text of the Paragraph in its entirety and substituting language so that, as amended, the Paragraph shall read:

(11) A candidate who applies for a license more than ten (10) years after the date upon which the candidate passed the last section of the Uniform CPA Examination must also document eighty (80) hours of continuing professional education in technical fields of study earned within the twenty-four (24) months immediately preceding the date of application. Of the eighty (80) hours required, at least two (2) hours shall consist of a board-approved state-specific ethics course. Qualifying continuing professional education is found in rule 0020-05-.04.

~~(11) All CPA Exam scores shall expire ten (10) years after the first passing score is earned. However, upon written request by the applicant, the Board may, in its sole discretion, grant an extension of the score expiration date for good cause shown.~~

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Chapter 0020-02  
Educational and Experience Requirements  
Amendments

Rule 0020-02-.02 Education, Paragraph (1) is amended by deleting the text of subparagraph (c) in its entirety and substituting language so that, as amended, the subparagraph shall read:

(c) Not more than nine (9) semester or equivalent quarter hours may be internship programs. Of these nine (9) semester hours or equivalent quarter hours, a maximum of six (6) semester hours or equivalent quarter hours may be applied to the thirty (30) semester or forty-five (45) quarter hours in accounting; and.

~~(c) Not more than six (6) semester or eight (8) quarter hours may be internship programs which may be applied to the thirty (30) semester or forty-five (45) quarter hours in accounting; and,~~

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Jack A. Bonner, Jr.	X				
Larry Elmore	X				
Gregory Gilbert	X				
Janet Booker-Davis	X				
Pamela Church	X				
David Crenshaw	X				
John Griesbeck	X				
Kevin Monroe				X	
Gay Moon	X				
Robert Vance	X				
Brad Floyd	X				

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Tennessee Board of Accountancy (board/commission/other authority) on 10/20/2023 (mm/dd/yyyy), and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/04/2023

Rulemaking Hearing(s) Conducted on: (add more dates). 10/20/2023

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Officer: Neil Stauffer

Title of Officer: Associate General Counsel

Agency/Board/Commission: Tennessee Board of Accountancy

Rule Chapter Number(s): 0020-01-.06 Examinations  
0020-02-.02 Education

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

\_\_\_\_\_  
Jonathan Skrmetti  
Attorney General and Reporter

\_\_\_\_\_  
Date



**Department of State Use Only**

Filed with the Department of State on: \_\_\_\_\_

Effective on: \_\_\_\_\_

\_\_\_\_\_  
Tre Hargett  
Secretary of State

### **Public Hearing Comments**

The Board received no public comments prior to the hearing, or during the rulemaking hearing.

## **Regulatory Flexibility Addendum**

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process, all agencies shall conduct a review of whether a proposed rule or rule affects small business.

### **The type or types of small business and an identification and estimate of the number of small businesses subject to the rule being proposed that would bear the cost of, or directly benefit from the rule being proposed;**

The Board does not foresee small businesses bearing significant costs to comply with the rule amendments or directly benefitting from the rule amendments, as the proposed rule amendments do not address matters directly impacting small businesses. The proposed rule amendments address the allowable timeframe within which candidates for licensure must complete the computer-based Uniform CPA Examination, internship program credits, and other educational requirements for licensure for certain applicants.

### **The projected reporting, recordkeeping and other administrative costs required for compliance with the rule being proposed, including the type of professional skills necessary for preparation of the report or record;**

There is a possibility of some additional cost for the administration and enforcement of these rule amendments, considering that examination scores will not expire under the amended rules, which will necessitate storing those records indefinitely.

### **A statement of the probable effect on impacted small businesses and consumers;**

The Board does not foresee a significant impact on small businesses or consumers with these rule amendments.

### **A description of any less burdensome, less intrusive or less costly alternative methods of achieving the purpose and objectives of the rule being proposed that may exist, and to what extent the alternative means might be less burdensome to small business**

The Department knows of no other less restrictive or burdensome means than through the promulgation of these rules as amended.

### **A comparison of the rule being proposed with any federal or state counterparts; and**

Rules and regulations for state boards of accountancy vary in some respects across the country. However, it is very likely the rule amendments are similar to current or proposed rules and regulations in other state-level jurisdictions due to a concerted effort to adopt model rule language across jurisdictions which helps facilitate license mobility. The Board is unaware of any similar existing or proposed federal rules.

### **Analysis of the effect of the possible exemption of small businesses from all or any part of the requirements contained in the rule being proposed.**

The Board does not foresee the need for a possible exemption of the requirements in the proposed rule amendments for small businesses. The proposed amendments are not aimed at small businesses, and any impact of these amendments on small businesses is likely negligible.

### **Impact on Local Governments**

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228, “On any rule and regulation proposed to be promulgated, the proposing agency shall state in a simple declarative sentence, without additional comments on the merits or the policy of the rule or regulation, whether the rule or regulation may have a projected financial impact on local governments. The statement shall describe the financial impact in terms of increase in expenditures or decrease in revenues.”

The Tennessee Board of Accountancy foresees no impact on any local governments.

**Additional Information Required by Joint Government Operations Committee**

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed rule amendments update requirements and guidelines for the computer-based Uniform Certified Public Accountant Examination and educational requirements for licensure. The rule amendments include lengthening the timeframe during which test section credit will remain valid and lengthening the time a candidate will be provided to pass all required test sections. Additionally, exam scores will no longer expire after ten (10) years; however, continuing professional education will be required when scores are more than ten (10) years old. Additional revised requirements have been provided regarding the number of allowable internship credit hours.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

These rule amendments are not required to achieve compliance with any state or federal law.

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

The rule amendments impact current and future applicants for a certified public accountant ("CPA") license. The Board expects applicants, CPA employers, future licensees, instructors, professors, and course providers to be proponents of the rule amendments, as the amendments expand the timeframe for candidates to pass all required test sections of the Uniform CPA Examination and set expanded expiration dates for the validity of scores. Additionally, the amendments provide for greater access for applicants applying for licensure more than ten (10) years after they passed the last section of the Uniform CPA Examination, which benefits the CPA profession and the public. Finally, the amendments increase the number of allowable internship program credit hours, providing students greater flexibility in meeting the educational requirements for licensure. The Board does not foresee a particular segment of opponents to these rule amendments.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule or the necessity to promulgate the rule;

There are no known opinions of the Attorney General and Reporter or any judicial rulings that directly relate to this rule.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

It is not anticipated that these rule amendments will directly increase or decrease revenue, although the amended rules could lead to an increased number of licensees, resulting in increased licensure revenue.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Neil Stauffer, Associate General Counsel for the Tennessee Board of Accountancy  
Wendy Garvin, Executive Director for the Tennessee Board of Accountancy

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Neil Stauffer, Associate General Counsel for the Tennessee Board of Accountancy Wendy Garvin, Executive Director for the Tennessee Board of Accountancy
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- (H)** Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

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- (I)** Any additional information relevant to the rule proposed for continuation that the committee requests.

There is no known additional relevant information.
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