

WSR 25-04-084

PERMANENT RULES

BOARD OF ACCOUNTANCY

[Filed February 3, 2025, 11:53 a.m., effective March 6, 2025]

Effective Date of Rule: Thirty-one days after filing.

Purpose: The board of accountancy adopted new WAC 4-30-057 Limitations [Restrictions] on CPA-inactive and CPA-retired, to provide guidance on CPA-inactive and CPA-retired allowable and prohibited activities and restricted title use; and amended WAC 4-30-058 Other authorized titles, to remove subsection (6) related to the CPA-retired designation, as this information has been moved to WAC 4-30-057.

Citation of Rules Affected by this Order: New WAC 4-30-057; and amending WAC 4-30-058.

Statutory Authority for Adoption: RCW 18.04.055.

Adopted under notice filed as WSR 24-21-125 on October 22, 2024.

Changes Other than Editing from Proposed to Adopted Version: For WAC 4-30-057, the word "professional" was added to subsection (11).

Number of Sections Adopted in Order to Comply with Federal Statute: New 0, Amended 0, Repealed 0; Federal Rules or Standards: New 0, Amended 0, Repealed 0; or Recently Enacted State Statutes: New 0, Amended 0, Repealed 0.

Number of Sections Adopted at the Request of a Nongovernmental Entity: New 0, Amended 0, Repealed 0.

Number of Sections Adopted on the Agency's own Initiative: New 1, Amended 0, Repealed 1.

Number of Sections Adopted in Order to Clarify, Streamline, or Reform Agency Procedures: New 0, Amended 0, Repealed 0.

Number of Sections Adopted using Negotiated Rule Making: New 0, Amended 0, Repealed 0; Pilot Rule Making: New 0, Amended 0, Repealed 0; or Other Alternative Rule Making: New 0, Amended 0, Repealed 0.

Date Adopted: January 31, 2025.

Jennifer Sciba  
Acting Director

RDS-5947.2

NEW SECTION

**WAC 4-30-057 Restrictions on CPA-inactive and CPA-retired.** (1) **Introduction.** Effective July 1, 2024, persons holding a license may renew their license in an inactive status. The purpose of this rule is to explain restrictions on the activities of persons while their license is in an inactive status, as well as persons who wish to use the title "CPA-retired."

(2) **CPA-inactive restrictions.** Persons holding an inactive license are prohibited from the practice of public accounting. RCW 18.04.025(9). The "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management

advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. RCW 18.04.025(17).

(3) **CPA-inactive allowable activities.** Persons holding an inactive license may perform or offer to perform services in an employer-employee relationship in industry, government, nonprofit, or education, or uncompensated work such as a volunteer, trustee, director, or executor.

(4) **CPA-inactive prohibited activities.** Persons holding an inactive license may not perform or offer to perform public accounting services:

(a) As an independent contractor in industry, government, nonprofit, or education;

(b) For compensation as a trustee, director, or executor;

(c) As a sole practitioner offering to perform services for a client or potential client; or

(d) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(5) **CPA-inactive conversion to active status.** At any time, persons holding an inactive license may apply to convert their license status from inactive to active. See WAC 4-30-120.

(6) **CPA-inactive professional conduct rules.** Persons holding an inactive license are subject to the following rules for ethics and prohibited practices:

(a) Integrity and objectivity. See WAC 4-30-040;

(b) General standards. See WAC 4-30-046;

(c) Compliance with standards. See WAC 4-30-048;

(d) Accounting principles. See WAC 4-30-049;

(e) Acts discreditable. See WAC 4-30-052;

(f) Form of organization and name. See WAC 4-30-056;

(g) Other authorized titles. See WAC 4-30-058.

(7) **CPA-inactive continuing professional education (CPE).** Persons holding an inactive license have limited CPE requirements for renewal. See WAC 4-30-134. However, persons holding an inactive license are still required to maintain professional competence in all their allowable roles regardless of limited CPE requirements for renewal.

(8) **CPA-inactive restricted title use.** Persons holding an inactive license may only use the title "CPA-inactive" and are prohibited from using the titles "certified public accountant" or "CPA." Persons holding an inactive license may not perform any of the activities in subsection (4) of this section regardless of whether or not they use the title "CPA-inactive."

(9) **CPA-retired.** Persons who have reached 60 years of age and hold a license in good standing in either an active or inactive status, may apply to retire their license. When their license is in a retired status, they may then use the title "CPA-retired."

(10) **CPA-retired allowable activities.** The title "CPA-retired" may be used when performing uncompensated services such as a volunteer, trustee, director, or executor.

(11) **CPA-retired prohibited activities.** Persons who have retired their license may not use the title "CPA-retired" to perform or offer to perform professional services:

(a) In an employer-employee relationship in industry, government, nonprofit, or education;

(b) As an independent contractor in industry, government, non-profit, or education;

(c) For compensation as a trustee, director, or executor;

(d) As a sole practitioner offering to perform services for a client or potential client; or

(e) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(12) **Renewal out of retirement.** At any time, persons who have retired their license may apply to renew as an active licensee. See WAC 4-30-122.

(13) **CPA-retired restricted title use.** Persons who have retired their license are prohibited from using the titles "certified public accountant," "CPA," or "CPA-inactive." However, persons who have retired their license may perform any of the activities in subsection (11) of this section without use of the title "CPA-retired."

(14) **Lapsed licensees.** Persons with a lapsed license are prohibited from using the titles "CPA-inactive," "CPA-retired," as well as the titles "certified public accountant," or "CPA."

#### OTS-5948.1

AMENDATORY SECTION (Amending WSR 23-04-088, filed 1/31/23, effective 3/3/23)

**WAC 4-30-058 Other authorized titles.** (1) The board allows the use of other titles by any person regardless of whether the person has been granted a certificate or holds a license if the person using the titles or designations is authorized at the time of use by a nationally recognized entity sanctioning the use of board authorized titles.

(2) Nothing in this chapter prohibits the use of the title "accountant" by any person regardless of whether the person holds a license under this chapter.

(3) Nothing in this chapter prohibits the use of the title "enrolled agent" or the designation "EA" by any person regardless of whether the person holds a license under this chapter if the person is properly authorized at the time of use to use the title or designation by the Internal Revenue Service (IRS).

(4) The board also authorizes titles and designations authorized by:

(a) The American Institute of Certified Public Accountants (AICPA);

(b) The Association of International Certified Professional Accountants (AICPA);

(c) The Institute of Management Accounts (IMA);

(d) The Accreditation Council for Accountancy and Taxation; and

(e) Certified Financial Planner Board of Standards (CFP Board).

(5) These authorized designations relate to title use only, are not limited to, individuals who have held or are holding a license under the act, and do not authorize these other designated individuals

to use the title "certified public accountant" or "CPA," or "CPA-inactive."

~~((6) The board further authorizes the use of the designation "CPA retired" in this state by those individuals who, upon notice to the board to retire a license, meet the following criteria:~~

~~(a) Has reached 60 years of age and holds an active license in good standing; or~~

~~(b) At any age, has held an active license in good standing, not suspended or revoked, to practice public accounting in any state for a combined period of not less than 20 years.)~~