

[Second Reprint]

ASSEMBLY, No. 5598

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED MAY 5, 2025

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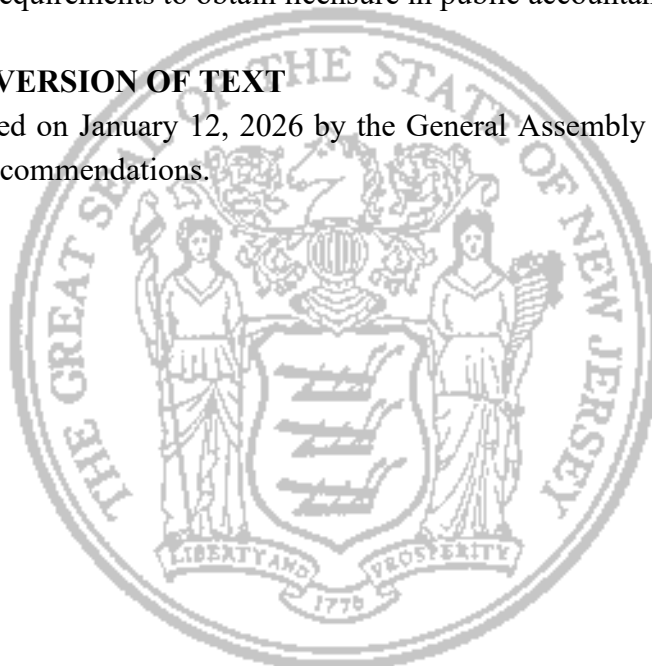
Assemblywoman McCann Stamato

SYNOPSIS

Modifies requirements to obtain licensure in public accountancy.

CURRENT VERSION OF TEXT

As amended on January 12, 2026 by the General Assembly pursuant to the Governor's recommendations.



(Sponsorship Updated As Of: 12/18/2025)

1 AN ACT concerning licensure in accountancy and amending
2 P.L.1997, c.259 and P.L.2008, c.45.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 3 of P.L. 1997, c.259 (C.45:2B-44) is amended to
8 read:

9 3. As used in this act:

10 "Attest" means providing the following services: any audit or
11 other engagement to be performed in accordance with the
12 Statements on Auditing Standards (SAS); any review of a financial
13 statement to be performed in accordance with the Statements on
14 Standards for Accounting and Review Services (SSARS); any
15 examination, review, or agreed upon procedures of engagement to
16 be performed in accordance with the Statements on Standards for
17 Attestation Engagements (SSAE); any engagement to be performed
18 in accordance with the standards of the Public Company
19 Accounting Oversight Board (PCAOB). The statements on
20 standards specified herein shall be adopted by regulation by the
21 board and shall be in accordance with standards developed for
22 general application by recognized national accountancy
23 organizations such as the American Institute of Certified Public
24 Accountants and the PCAOB.

25 "Board" means the New Jersey State Board of Accountancy.

26 "Compilation" means providing a service, to be performed in
27 accordance with Statements on Standards for Accounting and
28 Review Services (SSARS), by presenting, in the form of financial
29 statements, information that is the representation of management or
30 owners without undertaking to express any assurance on the
31 statements.

32 "CPA firm" or "firm" means a sole proprietorship, a professional
33 corporation, a partnership, a limited liability company, a limited
34 liability partnership, or any other lawful form of business
35 organization.

36 "Financial statements" means statements and related footnotes
37 that purport to present an actual or a prospective financial position
38 at a particular time, or results of operations, cash flow, or changes
39 in financial position for a period of time, in conformity with
40 generally accepted accounting principles or another comprehensive
41 basis of accounting. The term includes specific elements, accounts
42 or items of such statements, but does not include: incidental
43 financial data included in management advisory service reports to

EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹Assembly ARP committee amendments adopted May 15, 2025.

²Assembly amendments adopted in accordance with Governor's
recommendations January 12, 2026.

1 support recommendations to a client; or tax returns and supporting
2 schedules.

3 "License" means a license or registration issued to an individual
4 or firm permitting the individual or firm to practice public
5 accountancy.

6 "Licensee" means the holder of a license issued pursuant to
7 P.L.1997, c.259 (C.45:2B-42 et seq.).

8 "Manager" means a manager of a limited liability company.

9 "Member" means a member of a limited liability company.

10 "Nonlicensee" means a person not licensed as a certified public
11 accountant or a public accountant of any state or possession of the
12 United States or the District of Columbia.

13 "Owner of a firm" means any person with an equity or equivalent
14 interest in a firm, such as a shareholder with respect to a
15 corporation or a partner with respect to a partnership, or an
16 individual with respect to a sole proprietorship.

17 "Peer review" means a study, appraisal, or review of one or more
18 aspects of the professional work of a licensee or CPA firm that
19 issues attest or compilation reports, by a person or persons holding
20 licenses and not affiliated with the licensee or CPA firm being
21 reviewed.

22 "Practice of public accountancy" means the performance or the
23 offering to perform attest services for a client or potential client, by
24 a licensee, registered firm or individual qualifying for practice
25 privileges under section 6 of P.L.2008, c.45 (C.45:2B-50.1). The
26 "practice of public accountancy" also means the performance or the
27 offering to perform by a licensee or individual qualifying for
28 practice privileges under section 6 of P.L.2008, c.45 (C.45:2B-50.1)
29 of one or more of the following: a compilation of a financial
30 statement to be performed in accordance with SSARS, management
31 advisory, financial advisory or consulting services, or the
32 preparation of tax returns or the furnishing of advice on tax matters.

33 "Practice unit" means any office of a firm registered with the
34 board to engage in the practice of public accountancy in the State of
35 New Jersey.

36 "Principal place of business" means the office location
37 designated by a licensee for purposes of **substantial equivalency**
38 mobility practice privileges and reciprocity.

39 "Professional" means arising out of or related to the specialized
40 knowledge or skills associated with certified public accountants.

41 "Report" when used with reference to any attest or compilation
42 service, means an opinion, report, or other form of language that
43 states or implies assurance as to the reliability of the attested
44 information or compiled financial statements and that also includes
45 or is accompanied by any statement or implication that the person
46 or firm issuing it has special knowledge or competence in
47 accounting or auditing. Such a statement or implication of special
48 knowledge or competence may arise from use by the issuer of the

1 report of names or titles indicating that the person or firm is an
2 accountant or auditor, or from the language of the report itself. The
3 term "report" includes any form of language which disclaims an
4 opinion when that form of language is conventionally understood to
5 imply any positive assurance as to the reliability of the attested
6 information or compiled financial statements referred to, or special
7 competence on the part of the person or firm issuing that language,
8 or both; and it includes any other form of language that is
9 conventionally understood to imply that assurance, or that special
10 knowledge or competence, or both.

11 (cf: P.L.2019, c.10, s.1)

12

13 2. Section 8 of P.L.1997, c.259 (C.45:2B-49) is amended to
14 read as follows:

15 8. Every applicant for examination for licensure as a certified
16 public accountant shall present to the board a written application on
17 a form to be provided by the board, together with the required fee,
18 and satisfactory proof of the following:

19 a. (Deleted by amendment, P.L.2019, c.10)

20 b. That the applicant is of good moral character; and

21 c. That the applicant has at least, **120** semester hours of
22 education, including a baccalaureate or higher degree or its
23 equivalent, **1** **from an institution of higher education accredited by**
24 **a regional accrediting agency recognized by the Commission on**
25 **Higher Education** **a baccalaureate or higher degree or its**
26 **equivalent, except that no applicant shall be issued a license unless**
27 **the individual has** **1** **], except that no applicant shall be issued a**
28 **license unless he has successfully completed** **one of the following:**

29 (1) a baccalaureate or higher degree or its equivalent; or

30 (2) successfully completed 150 hours of education. **1** **The**
31 **educational program shall include a concentration in accounting or**
32 **its equivalent and related professional courses as determined by**
33 **regulation of the board** **]**

34 To qualify under this subsection, the degree earned or 150 hours
35 of education completed shall be obtained from an institution of
36 higher education accredited by a regional accrediting agency
37 recognized by the Commission on Higher Education, and shall
38 demonstrate a concentration in accounting or its equivalent and
39 related professional courses as determined by regulation of the
40 board **1**.

41 (cf: P.L.2019, c.10, s.2)

42

43 3. Section 6 of P.L.2008, c.45 (C.45:2B-50.1) is amended to
44 read as follows:

45 6. a. An individual whose principal place of business is not in
46 this State **]** shall be presumed to have qualifications substantially
47 equivalent to this State's requirements for certified public

1 accountants and] shall have all the privileges of licensed certified
2 public accountants of this State without the need to obtain a license
3 under P.L.1997, c.259 (C.45:2B-42 et seq.) or to notify the board or
4 pay any fee if that individual:

5 (1) Holds a current, valid, and unrevoked license as a certified
6 public accountant from any state [which the National Association
7 of State Boards of Accountancy's (NASBA) National Qualification
8 Appraisal Service has verified to be in substantial equivalence with
9 the certified public accountant licensure requirements of the
10 American Institute of Certified Public Accountants (AICPA) and
11 NASBA Uniform Accountancy Act]; [or]

12 (2) [Holds a valid license as a certified public accountant from
13 any state which the NASBA's National Qualification Appraisal
14 Service has not verified to be in substantial equivalence with the
15 certified public accountant licensure requirements of the
16 AICPA/NASBA Uniform Accountancy Act, but that individual
17 obtains from the NASBA's National Qualification Appraisal Service
18 verification that the individual's personal certified public accountant
19 qualifications are substantially equivalent to the certified public
20 accountant licensure requirements of the AICPA/NASBA Uniform
21 Accountancy Act] Has passed the Uniform Certified Public
22 Accountant examination or any other examination approved by the
23 board; and

24 (3) Has one year of experience of the type described in section
25 10 of P.L.1997, c.259 (C.45:2B-51).

26 b. In accordance with the provisions of this section and
27 notwithstanding any other provision of law, an individual who
28 offers or renders professional services, whether in person or by
29 mail, telephone, or electronic means, shall be granted practice
30 privileges in this State and no notice or other submission shall be
31 required of that individual. Such individual shall be subject to the
32 requirements of subsection c. of this section.

33 c. An individual licensee of another state exercising the
34 privilege afforded by this section and the firm that employs that
35 licensee hereby simultaneously consent, as a condition of exercising
36 that privilege:

37 (1) To the personal and subject matter jurisdiction and
38 disciplinary authority of the board;

39 (2) To comply with P.L.1997, c.259 (C.45:2B-42 et seq.) and
40 the regulations promulgated pursuant to that act;

41 (3) That in the event the license from the state of the individual's
42 principal place of business is no longer valid, the individual will
43 cease offering or rendering professional services in this State
44 individually and on behalf of a firm; and

45 (4) To the appointment of the state board or other authority that
46 issued the individual's license as the individual's agent upon which
47 process may be served in any action or proceeding by this State's
48 board against the licensee.

1 d. An individual who has been granted the practice privilege
2 under this section or who has a license issued pursuant to section 10
3 of P.L.1997, c.259 (C.45:2B-51), who performs any attest service
4 may only do so through a firm which meets the requirements of
5 subparagraph (c) of paragraph (1) of subsection a. of section 13 of
6 P.L.1997, c.259 (C.45:2B-54), or that is registered pursuant to
7 P.L.1997, c.259 (C.45:2B-42 et seq.).

8 e. A licensee of this State offering or rendering services or
9 using a title provided in section 21 of P.L.1997, c.259 (C.45:2B-62)
10 in another state shall be subject to disciplinary action in this State
11 for an action committed in another state for which the licensee
12 would be subject to discipline for an act committed in that state.
13 The board shall investigate any complaint made by the board of
14 accountancy or other licensing authority of another state.

15 f. Any individual who [passed the Uniform Certified Public
16 Accountant Examination and] holds a valid license issued by any
17 other state prior to [January 1, 2012] ²[December 31, 2025] the
18 effective date of P.L. , c. (C.) (pending before the
19 Legislature as this bill)² and, as of that date, has practice privileges
20 in this State pursuant to this section, shall [be exempt from the 150
21 hour education requirement in subsection c. of section 8 of
22 P.L.1997, c.259 (C.45:2B-49)] continue to have all the privileges of
23 licensed certified public accountants of this State without the need
24 to obtain a license pursuant to P.L.1997, c.259 (C.45:2B-49) or to
25 notify the board or pay any fee.

26 (cf: P.L.2021, c.297, s.1)

27
28 4. Section 10 of P.L.1997, c.259 (C.45:2B-51) is amended to
29 read as follows:

30 10. a. Every applicant for licensure as a certified public
31 accountant, having passed the examination in compliance with the
32 provisions of section 9 of P.L.1997, c.259 (C.45:2B-50), shall
33 provide satisfactory proof to the board that [the applicant has had
34 one year] for individuals applying for licensure pursuant to
35 paragraph (1) of subsection c. of section 8 of P.L.1997, c.259
36 (C.45:2B-49), two years of experience providing any type of service
37 or advice involving the use of accounting, attest, compilation,
38 management advisory, financial advisory, tax, or consulting skills,
39 all of which was verified by a licensee, were completed and
40 [meeting] the requirements prescribed by the board pursuant to
41 promulgated regulations were met, and for individuals applying for
42 licensure pursuant to paragraph (2) of subsection c. of section 8 of
43 P.L.1997, c.259 (C.45:2B-49), one year of the experience in the
44 same subject matter aforementioned was completed and board
45 requirements were met. The experience required pursuant to this
46 section is acceptable if it was gained through employment in
47 government, industry, academia, or public practice.

1 (1) (Deleted by amendment, P.L.2019, c.10)

2 (2) (Deleted by amendment, P.L.2019, c.10)

3 b. (Deleted by amendment, P.L.2019, c.10)

4 (cf: P.L.2019, c.10, s.5)

5

6 5. Section 12 of P.L.1997, c.259 (C.45:2B-53) is amended to
7 read as follows:

8 12. a. The board may waive the examination of, and issue a
9 license to, any person who is of good moral character, and who, at
10 the time of his application, holds a current, valid, and unrevoked
11 license as a certified public accountant issued by or under the
12 authority of any state or possession of the United States or the
13 District of Columbia **【**which has education, experience,
14 examination and re-examination requirements which are
15 substantially equivalent to the requirements of this act and the
16 regulations promulgated pursuant to this act for the issuance of a
17 license as a certified public accountant**】** if the person:

18 (1) completes a baccalaureate or higher degree or its equivalent
19 from an institution of higher education accredited by a regional
20 accrediting agency recognized by the Commission on Higher
21 Education and including a concentration in accounting or its
22 equivalent and related professional courses as determined by the
23 board;

24 (2) demonstrates proof of previous passage of the Uniform
25 Certified Public Accountant examination or any other examination
26 approved by the board; and

27 (3) has been employed as a certified public accountant in the
28 practice of public accountancy for at least one year immediately
29 preceding the application for licensure.

30 b. The board may waive the examination of, and issue a license
31 to, an applicant who within 10 years immediately preceding the date
32 of application has held a valid and unrevoked license as a certified
33 public accountant issued by or under the authority of any state or
34 possession of the United States or the District of Columbia, and
35 who has had four years of experience outside of this State of the
36 type described in subsection a. of section 10 of P.L.1997, c. 259
37 (C.45:2B-51), or meets equivalent requirements prescribed by the
38 board by regulation, after passing the examination upon which the
39 applicant's license was based with grades that would have been
40 passing grades at the time in this State. If an applicant's certificate,
41 license or permit was issued no less than six years prior to the
42 application for issuance of an initial license under this section, that
43 applicant shall have also fulfilled the requirements of continuing
44 professional education that would have been applicable under the
45 rules of this State to be eligible for licensure under the provisions of
46 subsection a. of section 27 of P.L.1997, c.259 (C.45:2B-68).

47 c. The board shall issue a license as a certified public
48 accountant to a holder of a foreign designation, granted in a foreign

1 country entitling the holder thereof to engage in the practice of
2 public accountancy if:

3 (1) The foreign authority which granted the designation makes
4 similar provision to allow a person who holds a valid license issued
5 by this State to obtain that foreign authority's comparable
6 designation; and

7 (2) The foreign designation:

8 (a) was duly issued by a foreign authority that regulates the
9 practice of public accountancy and the foreign designation has not
10 expired or been revoked or suspended;

11 (b) entitles the holder to issue reports upon a financial
12 statement; and

13 (c) was issued upon the basis of educational, examination, and
14 experience requirements established by the foreign authority or by
15 law; and

16 (3) The applicant:

17 (a) received the designation, based on educational and
18 examination standards **【substantially equivalent】** comparable to
19 those in effect in this State, at the time the foreign designation was
20 granted;

21 (b) completed an experience requirement, **【substantially**
22 **equivalent】** comparable to the requirement set out in section 10 of
23 this act, in the jurisdiction which granted the foreign designation, or
24 has completed four years of experience of the type described in
25 subsection a. of section 10 of P.L.1997, c.259 (C.45:2B-51); or
26 meets equivalent requirements prescribed by the board, within the
27 10 years immediately preceding the application; and

28 (c) passed a uniform qualifying examination in national
29 standards acceptable to the board and an examination on the laws,
30 regulations and code of ethical conduct in effect in this State.

31 An applicant seeking licensure under this subsection shall in the
32 application list all jurisdictions, foreign and domestic, in which the
33 applicant has applied for or holds a designation to practice public
34 accountancy, and each holder of a license issued under this
35 subsection shall notify the board in writing, within thirty days after
36 its occurrence, of any issuance, denial, revocation or suspension of
37 a designation or commencement of a disciplinary or enforcement
38 action by any jurisdiction.

39 (cf: P.L.2001, c.149, s.4)

40

41 6. This act shall take effect on the ²**【first】** 30th² day ²**【of the**
42 **13th month】**² next following enactment and shall apply to
43 applications for licensure received on or after the effective date,
44 except that the board may take any anticipatory administrative
45 action in advance as shall be necessary for the implementation of
46 this act.