CHAPTER 40

PRACTICE OF ACCOUNTING — CERTIFIED PUBLIC ACCOUNTANT CERTIFICATE QUALIFICATIONS

H.F. 778

AN ACT relating to qualifications for a certificate as a certified public accountant and including effective date provisions.

Be It Enacted by the General Assembly of the State of Iowa:

Section 1. Section 542.5, subsection 7, Code 2025, is amended by striking the subsection and inserting in lieu thereof the following:

7. *a.* An applicant for initial issuance of a certificate shall meet all of the requirements of either subparagraph (1) or subparagraph (2):

(1) The applicant meets all of the following:

(a) The applicant has completed at least one hundred fifty semester hours, or the trimester or quarter equivalent of one hundred fifty semester hours, of college education.

(b) The applicant has a degree.

(c) The applicant has no less than one year of experience.

(2) The applicant meets all of the following:

(a) The applicant has completed at least one hundred twenty semester hours, or the trimester or quarter equivalent of one hundred twenty semester hours, of college education.

(b) The applicant has a degree.

(c) The applicant has no less than two years of experience.

b. A degree required under paragraph *"a"* must be at least a baccalaureate degree and be conferred by a college or university recognized by the board, and the degree program must include a concentration in accounting or another area of study that the board determines to be substantially equivalent.

c. Experience required under paragraph *"a"* must include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting, as verified by an applicant, that meets the requirement prescribed by the board by rule. The experience may be in the government, industry, academia, or public sector.

Sec. 2. Section 542.5, subsection 12, Code 2025, is amended by striking the subsection.

Sec. 3. Section 542.5, subsection 13, Code 2025, is amended to read as follows:

13. A person holding a certificate as a certified public accountant issued by the state prior to July 1, ~~2002~~ 2025, is deemed to have met the requirements of this section.

Sec. 4. Section 542.19, subsection 1, paragraph c, subparagraph (2), Code 2025, is amended to read as follows:

(2) The applicant has at least four years of experience within the ten years immediately preceding the application which occurred after passing the examination upon which the applicant's certificate or license was based and which in the board's opinion is substantially equivalent to that required by section 542.5, subsection ~~12~~ 7; and,

Sec. 5. Section 542.19, subsection 3, paragraph c, subparagraph (2), Code 2025, is amended to read as follows:

(2) The applicant satisfies an experience requirement, substantially equivalent to the requirement set out in section 542.5, subsection ~~12~~ 7, in the jurisdiction which issued the foreign designation or has completed four years of professional experience in this state; or meets equivalent requirements prescribed by the board by rule, within the ten years immediately preceding the application.

Sec. 6. Section 542.20, subsection 1, Code 2025, is amended to read as follows:

1. This section authorizes a person or firm whose principal place of business is not in this state to practice public accounting in Iowa in person, or by telephone, mail, or

electronic means without licensure under this chapter, paying a fee, or providing notice to the board under the conditions described in this section. Such a person or firm must hold a valid, unexpired license in good standing in the state of ~~its~~ the person's or firm's principal place of business ~~that is substantially equivalent to a comparable license issued in Iowa~~ in conformance with subsections 5 and 6, and such a person or firm must be licensed to lawfully perform in ~~its~~ the person's or firm's principal place of business all public accounting services offered or rendered under a practice privilege in Iowa.

Sec. 7. Section 542.20, subsection 6, paragraph a, Code 2025, is amended to read as follows:

a. The individual must meet the criteria ~~for substantial equivalency reciprocity under section 542.19, subsection 1, paragraph "*a*", "*b*", or "*c*"~~ set forth in subsections 7 and 8.

Sec. 8. Section 542.20, subsection 7, Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. *e.* Complies with the requirements of this chapter, and all rules adopted by the board.

Sec. 9. EFFECTIVE DATE. This Act takes effect July 1, 2026.

Approved May 1, 2025