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INDEPENDENT REGULATORY
REVIEW COMMISSION

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BUSINESS
LICENSING DIVISION

2009 MAY 29 AM 11:44

Samuel J. Stephenson, CPA
Chairman
State Board of Accountancy
P.O. Box 2649
Harrisburg, PA 17105-2649

Re: Proposed Regulation #16A-5512

Dear Chairman Stephenson:

We are writing on behalf of the 20,000 members of the Pennsylvania Institute of Certified Public Accountants (PICPA) regarding the proposed rulemaking of the State Board of Accountancy relating to biennial renewal fees (#16A-5512).

The proposal would raise the biennial renewal fee for CPAs, public accountants, and public accounting firms from \$45 to \$100 and the biennial renewal fee for continuing education program sponsors from \$120 to \$150. Combined, these increases will purportedly generate an additional \$1.3 million in revenues per biennial renewal period. If adopted, the changes will take effect Jan. 1, 2010.

According to its preamble, the proposed rulemaking is necessary for the Board's operation and the execution of its statutory responsibilities. Moreover, the preamble explains that the increase is needed because 1) the current biennial license fee structure is inadequate to meet the Board's revenue needs; and, 2) fees have not been increased since 1990. We would like to respectfully point out that the proposed rulemaking would increase fees 122 percent, while the consumer price index has increased during this period approximately 63 percent.

According to the cursory financial information provided by the Department of State's Bureau of Finance and Operations (BFO), which is contained in the proposed rulemaking, the Board projects a gradual increase in expenses over the course of the next three fiscal years, ending June 30, 2012. While the increases – at approximately three to five percent – appear reasonable, there is no explanation within the documentation clarifying precisely to which programs and Board functions the newly-generated monies will be applied. This is particularly incongruous when one considers the Board's transition to electronic renewal and an electronic newsletter – two changes that would seem to be significant administrative cost-savers.

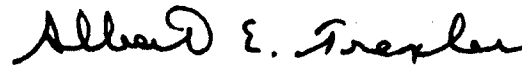
The PICPA appreciates and fully supports the Board's need for an adequate level and reliable source of funding to carry out its statutory duties as provided for in the CPA Law. However, particularly in these difficult economic times, it would be extremely helpful for the Commonwealth to more clearly articulate the need for such substantial fee increases to the regulated community to help them better understand the Board's reasons for doing so.

Thank you for taking our concerns regarding the proposed rulemaking into consideration as you move toward final implementation. Please do not hesitate to contact us if we can be of any assistance.

Sincerely,



Eric P. Wallace, CPA
President



Albert E. Trexler, CAE
CEO and Executive Director

Cc: Hon. Robert M. Tomlinson
Hon. Lisa M. Boscola
Hon. Michael P. McGeehan
Hon. William F. Adolph
Hon. Arthur Coccodrilli, Chair, IRRC
Steven Wennberg, Counsel