

# SB2059

Measure Title: RELATING TO PUBLIC ACCOUNTANCY.

Report Title: Certified Public Accountants; Mobility; Substantial  
Equivalency; State Board of Public Accountancy

Description: Establishes procedures for an out-of-state individual  
licensed as a certified public accountant or certain  
accountancy firms to be granted practice privileges in this  
State by the board of public accountancy if the licensee or  
firm meets certain qualifications and requirements for  
substantial equivalency. Makes conforming amendments to  
the laws relating to public accountancy to reflect practice  
privileges. Takes effect on 1/1/2019.

Companion: [HB1870](#)

Package: None

Current  
Referral: CPH

Introducer(s): BAKER (Introduced by request of another party)

**PRESENTATION OF THE  
BOARD OF PUBLIC ACCOUNTANCY**

TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Tuesday, February 20, 2018  
9:00 a.m.

**TESTIMONY ON SENATE BILL NO. 2059, RELATING TO PUBLIC ACCOUNTANCY.**

TO THE HONORABLE ROSALYN H. BAKER, CHAIR, AND MEMBERS OF THE  
COMMITTEE:

My name is Gregg Taketa, and I am the Chairperson of the Board of Public Accountancy ("Board"). Thank you for the opportunity to testify on this measure. After a lengthy and robust discussion during its meeting on January 26, 2018, the Board decided, by a split vote, to oppose S.B. 2059.

This bill establishes procedures for an out-of-state individual licensed as a certified public accountant or certain accountancy firms to be granted practice privileges in the state by the Board if the licensee or firm meets certain qualifications and requirements for substantial equivalency.

As you are aware, the Board's primary charge is to protect the consumer and the general public with respect to the practice of public accounting in Hawaii by Certified Public Accountants. The Board believes that the merits of this measure should be judged with this purpose in mind.

Thank you for the opportunity to testify on S.B. 2059.

**PRESENTATION OF THE  
BOARD OF PUBLIC ACCOUNTANCY**

TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION AND HEALTH

TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2018

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**TESTIMONY ON SENATE BILL NO. 2059, RELATING TO PUBLIC ACCOUNTANCY**

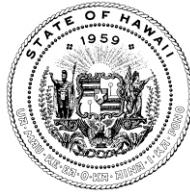
TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Gregg Taketa, and I am the Chairperson of the Board of Public Accountancy (Board). Thank you for the opportunity to testify on behalf of the Board on Senate Bill 2059, Relating to Public Accountancy.

As you are aware, the Board's primary charge is to protect the consumer and the general public with respect to the practice of public accounting in Hawaii by Certified Public Accountants (CPA). The Board believes that the merits of this Bill should be judged with this purpose in mind.

After a lengthy and robust discussion during its meeting on January 26, 2018, the Board decided, by a split vote, to oppose Senate Bill No. 2059.

Thank you for the opportunity to testify on Senate Bill No. 2059. I will be available to answer any questions you may have.



DAVID Y. IGE  
GOVERNOR  
DOUGLAS S. CHIN  
LT. GOVERNOR

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PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE SENATE COMMITTEE  
ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-NINTH LEGISLATURE  
Regular Session of 2018

Tuesday, February 20, 2018  
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 2059  
RELATING TO PUBLIC ACCOUNTANCY

TO THE HONORABLE ROSALYN H. BAKER, CHAIR AND MEMBERS OF THE  
COMMITTEE:

The Department of Commerce and Consumer Affairs (“Department”) appreciates the opportunity to testify on S.B. 2059, Relating to Public Accountancy. My name is Daria Loy-Goto, and I am the Complaints and Enforcement Officer for the Department’s Regulated Industries Complaints Office (“RICO”). RICO takes no position on this bill, but offers the following enforcement-related comments.

S.B. 2059, which is a companion bill to H.B. 1870, creates a practice privilege for certain Certified Public Accountants (“CPAs”) licensed in another state whose license in that state meets certain requirements. The bill sets forth required qualifications for exemption and subjects the out-of-state CPA to the jurisdiction of Board of Public Accountancy (“Board”).

SECTION 2 of the bill grants a practice privilege to individuals whose principal place of business is not in this State. The bill defines “practice privilege” as the legal right to engage in the practice of public accountancy within the State pursuant to section

466- (a) or (b) and subject to the conditions and limitations established under section 466-." RICO is uncertain how a "practice privilege" would operate for purposes of triggering the traditional complaints processing, investigation, administrative hearing, enforcement and prosecution under applicable administrative law, since the language in page 3 lines 5-6 and 18-19 suggests that the individual would operate in the state without a license.

The "principal place of business" language at page 9, lines 1-3 should be replaced with the language "the office location designated by the licensee for purposes of substantial equivalency and reciprocity". The bill defines "[h]ome office" at page 8, lines 15-17 but is unclear as to what constitutes an office location and home office, and whether either definition would include post office boxes, commercial mail receiving agency, and the like.

RICO requests that §466- (c)(2) on page 5, lines 16-17 of the bill be amended to include, in addition to any law or rule of the Board of Public Accountancy, any order of the Board of Public Accountancy.

RICO requests that §466- (c)(2) on page 5, lines 18-20 and page 6, lines 1-2 be amended to read "In the event the license from the state of the licensee's principal place of business is no longer [current, active, or is any way limited or conditioned] ~~valid as a licensee~~, the licensee shall ~~to~~ cease to offer or render professional services in this State...".

RICO notes §466- (c)(5) on page 6, line 7, requires an individual granted a practice privilege to "promptly notify" the board. RICO requests the Committee establish a fixed time frame for this requirement. Similarly, RICO requests that §466- (c)(6) on page 6, lines 13-16 be amended as follows: "to notify the regulated industries complaints office to refer reports of any licensee violation of this section to the board of any violation of this section by any licensee for investigation and disciplinary action; within \_\_\_\_\_ days...".

RICO notes under §466- (d) on page 7, lines 1-16, an individual who has been granted practice privileges would be required to practice through an accountancy firm that has a permit to practice in this State when performing certain services. RICO requests clarification whether there are circumstances in which an individual who has

been granted practice privileges would not be required to practice through an accountancy firm with a firm permit to practice in Hawaii.

Page 7 line 17 to page 8 line 4 provides the Board with authority to take disciplinary action against a licensee for acts committed in other states. Since the board already has authority to take action against licensees to violations committed in other states, this language is unnecessary.

RICO also notes line 19 on page 17 should read “(1) If the firm has an office [in] this State”.

RICO notes §466-9(a) on page 19-20 should be clarified to indicate that the disciplinary provisions set forth in this section apply to individuals granted a practice privilege.

RICO generally notes allowing out-of-state individuals to practice in Hawaii may be confusing to consumers. The bill as drafted fails to require notice to consumers when work that requires a Hawaii license is being performed by an individual exercising a practice privilege in this State.

Finally, because RICO is funded through licensing fees, any costs associated with investigation and enforcement of out-of-state individuals will be entirely borne by all of Hawaii licensees. Language is needed that would allow the Board of Public Accountancy to impose fees, fines and costs associated with investigation and enforcement either directly through the out-of-state individual or through the permit holder, and allowing RICO to seek additional orders from the Board of Public Accountancy to recover costs of any required collection efforts.

Thank you for the opportunity to testify on S.B. 2059. I am available to answer questions the Committee may have.



## HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

Organized August 7, 1943  
P.O. BOX 61043  
HONOLULU, HAWAII 96839



### Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol

#### Re: **Strong Opposition to SB 2059 Relating to Public Accountancy**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

The Hawaii Association of Public Accountants (HAPA) is the only statewide public accounting organization with chapters on Oahu, Maui, Big Island, and Kauai. It has approximately 575 members, consisting primarily of small to mid-sized CPA firm owners and employees. The Hawaii consumer relies heavily upon our members to provide financial, tax, and consulting services for their businesses and personal affairs.

HAPA has conducted multiple surveys on CPA mobility and over 70% have continued to oppose CPA mobility legislation. HAPA is not against out-of-state CPAs practicing in Hawaii and is receptive to expedited individual CPA mobility on a **temporary basis** for out-of-state CPAs, but **with notice and fees** and **meeting Hawaii's higher CPA licensing standards**. **Hawaii already has temporary permits available for out-of-state CPAs**. Out-of-state CPAs can also obtain Hawaii CPA licenses.

SB 2059 only deals with out-of-state or foreign CPAs practicing in Hawaii and **does not deal with the rights of Hawaii CPAs to practice in other states or countries**. In other words, this is not about CPA reciprocity. SB 2059 benefits primarily the large international CPA firms.

HAPA is very disappointed that this latest and extreme version of CPA "No Notice, No Fees" mobility legislation was introduced. HAPA and the Board of Public Accountancy, as stakeholders, were not provided with advance notice, nor discussed its content with the drafters of this bill prior to the bill's introduction. There appear to be many flaws in this bill.

This bill provides for "No Notice and No Fees" for out-of-state and foreign CPAs and grants them the right to practice public accountancy without obtaining a temporary permit to practice, without providing notice, and without paying any Hawaii license fees.

By focusing primarily on only audit services provided by out-of-state CPAs, it ignores the regulation of tax and consulting practitioners and those performing other types of CPA financial services by eliminating the need for them to obtain CPA firm permits and provide their Hawaii General Excise Tax (GET) license number. Currently, the CPA firm application form requests the GET license number for all CPA firms practicing in Hawaii.

### **Hawaii tax collections will be significantly reduced with SB 2059**

SB 2059 will result in a significant loss of state tax revenue when casual tourist CPAs decide they want to write-off their vacation trips to Hawaii and perform CPA services in Hawaii for Hawaii consumers. The Hawaii consumer expects that CPAs practicing in Hawaii will be competent, independent, objective, and knowledgeable about Hawaii tax and business laws.

Unfortunately, prior HAPA studies have demonstrated that approximately 70% of out-of-state CPAs who obtained temporary permits worked for firms that did not comply with Hawaii tax laws and pay Hawaii taxes.<sup>1</sup> To help remedy the situation, the Hawaii State Tax Director at the time requested that the Board of Public Accountancy add a requirement that Hawaii GET license numbers be required of all CPA firms practicing in Hawaii. This requirement was added as a minimalist way to inform out-of-state CPA practitioners that Hawaii had a Hawaii General Excise tax law where taxes are due on service income and other types of business income.<sup>2</sup> Unfortunately, SB 2059 eliminates firm permits and the Hawaii GET license numbers that are currently required for all out-of-state and foreign CPA firms (with a narrow exception).

An out-of-state or foreign CPA temporarily practicing in Hawaii would not be familiar with Hawaii's GET tax, as evidenced by so many cases where HAPA practitioners have observed a failure by out-of-state CPA practitioners to advise owners of Hawaii rental properties on the need to pay Hawaii General Excise taxes, Transient Accommodation taxes, and Hawaii income taxes. This loss of state tax revenue places a heavier burden on Hawaii residents to pay higher state taxes to meet Hawaii's needs, and Hawaii cannot afford to have uninformed tax practitioners who are here practicing and advising Hawaii consumers about Hawaii laws on a temporary basis.

### **Hawaii license fees will be significantly reduced with SB 2059**

According to the Department of Commerce and Consumer Affairs records as of January 29, 2018, Hawaii already has 718 out-of-state and foreign-based practitioners out of a total of 2,919 CPAs (i.e., roughly 25% of Hawaii CPA licensees are not residents of

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<sup>1</sup> See HAPA Studies #1 and #2 at HAPA website at <http://hawaiiassociationofpublicaccountants.com/>.

<sup>2</sup> In comparison, virtually all other states have retail sales taxes on personal property and do not tax service or rental income.



Hawaii). Hawaii would lose a significant amount of license fee revenue (over \$220,000 in individual licensing fees plus thousands of dollars of firm permit fees ranging from \$121 to \$345 per firm every two years). Who would make up the costs for enforcement for out-of-state and foreign CPAs?

### **Hawaii jobs will be lost with SB 2059**

It is obvious that Hawaii jobs will be lost to CPAs from the mainland and around the world who will be able to practice in Hawaii without a Hawaii CPA license and permit to practice if they can practice in Hawaii with “no notice and no fees”.

With the loss of Hawaii jobs, what would happen to accounting jobs for the younger generation of Hawaii accountants and the students who are looking for Hawaii jobs? If accounting jobs are out-sourced to out-of-state and foreign CPAs, the younger generation will be forced to move to the mainland to look for jobs.

### **Hawaii Consumers will be hurt with SB 2059**

Hawaii consumers will be hurt with practitioners who are unfamiliar with Hawaii laws, including tax laws. Hawaii already has sufficient expertise to serve Hawaii consumers, and there are roughly 25% of Hawaii-licensed CPAs who are based on the mainland or in foreign countries. Anyone wishing to practice public accounting in Hawaii can obtain a temporary Hawaii permit to practice or a Hawaii CPA license and permit.

Without notice and fees, it will be difficult if not practically impossible to attempt to sanction out-of-state or foreign CPAs. Who will pick up the costs for enforcement? How difficult will it be to seek enforcement action against someone who lives in a foreign country? What happens to those out-of-state Boards of Accountancy who have stated they have no funds to pursue enforcement action against their own licensees?

SB 2059 will also reduce the Board’s current control of 718 out-of-state and foreign-based CPAs who are currently licensed in Hawaii because most will no longer need Hawaii CPA licenses and permits.

### **Hawaii-licensed CPAs cannot practice freely with other states’ CPA mobility laws, and the term is misleading**

Due to the complexity of different CPA mobility laws in all the states, it is misleading to think that Hawaii CPAs can practice freely as CPAs in other states since they have adopted CPA mobility laws. For example, for CPAs practicing in taxes, although California has technically qualified as a “CPA Mobility” state, Hawaii CPAs cannot prepare tax returns or provide tax consulting temporarily in California because they must register under California’s tax preparer registration law, which does not exempt

out-of-state CPAs and attorneys. To first qualify as a California's CTEC tax professional, Hawaii CPAs must 1) complete 60 hours (45 hours federal, 15 hours California) of qualifying tax education from a CTEC approved provider, purchase a \$5,000 tax preparer bond, and pay a registration fee.<sup>3</sup> Otherwise, the Hawaii CPA must obtain a California CPA license.

The number of states adopting state tax preparer registration laws has been increasing as states seek to have more competent tax practitioners in their states. This has led to increased tax compliance in states such as Oregon, California, Maryland, and New York.

### **SB 2059 will allow foreign CPAs to practice in Hawaii with interstate “No Notice, No Fees” mobility laws**

The “no notice, no fees” CPA mobility concept contained in recent versions of the Uniform Accountancy Act (UAA) is a framework for **international mobility** (outsourcing) of accountants, not just interstate mobility. Currently foreign accountants living abroad are allowed to obtain state CPA licenses from certain states, such as Delaware, California, and Washington State, among others. With state CPA licenses obtained from these other states, foreign accountants then would be able to practice in states that have adopted “No Notice, No Fees” CPA mobility legislation, as proposed in SB 2059. In addition, the National Association of State Boards of Accountancy (NASBA) has deemed certain foreign accountants “substantially equivalent” to U.S. CPAs even though they have not met U.S. state licensing requirements, such as passing the U.S. CPA exam.

In Hawaii, there is a legal question as to whether the “No Notice, No Fees” CPA mobility legislation of SB 2059 could circumvent Hawaii’s licensing laws by allowing “practice privileges” to foreign accountants without work permits in violation of HRS §436B-10 (b) (2), which provision applies to all Hawaii licensees.

### **SB 2059 allows non-CPA firm ownership by out-of-state CPA firms**

SB 2059 allows out-of-state CPA firms to be owned by non-CPAs while Hawaii CPA firms must be owned 100% by CPAs – a practice that would be misleading, confusing, and dangerous to Hawaii’s public.

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<sup>3</sup> See <https://ctec.org/Preparer/WhatCRTP>

**SB 2059 delegates legislative authority to two private organizations without legislative oversight**

SB 2059 adds an “evergreen” model act (Uniform Accountancy Act) to be used as the statutory authority for automatic change to Hawaii’s laws every time the AICPA (a private trade organization) and NASBA (another private organization) decide to change model act provisions. No state currently has adopted all of the provisions of the UAA as this is a model act with suggested language in its eighth edition, and it would be dangerous to delegate Hawaii statutory authority to out-of-state private institutions, largely controlled by the large international CPA firms and accountants who do not practice public accounting.

SB 2059 requires lower UAA “substantially equivalent” licensing standards for out-of-state CPAs (which require only one year of “any kind” of experience) while Hawaii CPAs achieve higher licensing standards of two years of public accounting experience or its equivalent.

Hawaii has traditionally kept higher CPA licensing standards than other states for the protection of Hawaii’s public. Certain other states have had difficulty in trying to meet the lower UAA substantially equivalent standards, and not all out-of-state CPAs achieved the educational requirements adopted in Hawaii. Some states have even allowed individuals to become CPAs although they did not pass the Uniform CPA Examination, which is required for Hawaii CPA licensees.

**Please protect Hawaii’s jobs, taxes and fee revenues, and protect Hawaii’s consumers by voting NO to SB 2059 for the above and many more reasons.**

Thank you for this opportunity to testify, and we would be happy to answer any questions regarding this matter.

**Respectfully submitted,**

***Brian M. Iwata, CPA, President, Hawaii Association of Public Accountants, and***

***Marilyn M. Niwao, J.D., CPA, CGMA, ATA, Legislative Committee Chair, HAPA***



**HSCPA**

Hawaii Society of  
Certified Public Accountants

Senate Committee on Commerce, Consumer Protection  
and Health

Tuesday, February 20, 2018  
Conference Room 229 – 9:00 a.m.

## IN SUPPORT OF SB 2059

Dear Chair Baker, Vice Chair Tokuda and Committee Members:

I am Norman Okimoto, president of the board of directors of the Hawaii Society of CPAs (HSCPA), the only professional CPA association in Hawaii serving members in business & industry, public practice, government and academia. For over a decade, the HSCPA, its Board of Directors and the vast majority of its 1,400+ members have supported CPA mobility.

Mobility is important to Hawaii consumers and Hawaii CPAs because of the increasing need to attract businesses, create and maintain jobs and make small businesses prosper.

Implementation of a uniform CPA mobility provision would allow Hawaii consumers to receive timely services from the CPA best suited to the job, regardless of the CPA's location, without the hindrances of unnecessary filings, forms and increased costs that do not protect the public interest. Businesses today are often located in multiple states and have compliance responsibilities in multiple jurisdictions, and a uniform process will give CPAs the flexibility to better serve clients in Hawaii.

Mobility allows CPAs to satisfy their clients for certain engagements – electronically, by telephone or physically (but audit work would still require local licensing or working through a Hawaii-licensed firm). Like the driver's license model, when a CPA goes into another state, the CPA is under the jurisdiction of that state's board of accountancy. And, if the CPA is negligent or engages in misconduct, the CPA would be subject to the same jurisdiction and disciplinary process as might be applied that state's local CPAs. This would provide much stronger enforcement powers than the existing model (current Hawaii law).

There has been a notion that mobility would allow "foreign" CPAs to come into Hawaii or any other state and practice through mobility. It's actually prohibited under the Uniform Accountancy Act (UAA) version of mobility. This Bill would give mobility rights only to CPAs licensed in the United States.

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Under current Hawaii law, if a Hawaii consumer is relying on a Washington CPA and gets bad advice, the Hawaii Board of Accountancy has no jurisdiction over that Washington CPA. Basically, the Hawaii Board has to ask the Washington State authorities to take some sort of action. Under this bill, the Hawaii Board would have direct disciplinary power over that Washington CPA.

Every other state in the U.S. has CPA mobility. Testimonies have been given across the states from small-firm CPAs that said they can now meet the demands of their clients – doing it legally and knowing that they're submitting themselves to the jurisdiction of each state where they perform services. If you believe that this is a "big firm" initiative, you're missing the heart and spirit of what this does. Most consumers are not with a big firm – most are dealing with small practitioners, the mom-n-pop shop – and they get the same rights and privileges of someone who uses a big firm.

Opponents are still complaining that there are "snowbirds" going around trying to sneak into Hawaii and practice part-time and hopefully pick up business. That's not what the reality is. The reality is that there are consumers and businesses in Hawaii who wants to use the best-qualified CPA regardless of where he or she may live, and local CPAs who want to bring in subject-matter experts to help perform the best services.

Please support SB 2059.

Respectfully submitted,

A handwritten signature in black ink that reads "Norman Okimoto". The signature is written in a cursive, flowing style.

Norman Okimoto, President  
Board of Directors

N I W A O  
&  
R O B E R T S

*Certified Public Accountants, A Professional Corporation*

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## **Committee on Commerce, Consumer Protection, and Health**

**Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol**

### **Re: Strong Opposition to SB 2059 Relating to Public Accountancy**

#### **Chair Baker, Vice Chair Tokuda, and Committee Members:**

I am a Hawaii CPA and Attorney, practicing public accounting on Maui as president of Niwao & Roberts, CPAs, a P.C. I am also vice chair of the Hawaii Council on Revenues, a past commissioner of the Hawaii Tax Review Commission, past president of the National Society of Accountants, and state director of the Hawaii Association of Public Accountants. However, I am testifying here solely in my capacity as president of my Maui CPA firm, although I am drawing upon my knowledge obtained while serving in the above positions.

**Our CPA firm is strongly opposed to SB 2059** which would allow out-of-state and foreign CPAs the right to practice in Hawaii without notice (i.e., without having to obtain a temporary or regular permit to practice from the Board of Public Accountancy) and without paying license and permit fees. Although all other states have technically met the requirement of “No Notice, No Fees” CPA mobility, the devil is in the details when looking at the provisions of the various state laws governing the practice of public accounting in each state.

#### **SB 2509 will cause Hawaii to lose State Tax Revenue**

Currently, all CPA firms practicing in Hawaii must provide Hawaii GET license numbers and addresses to the Board of Public Accountancy as part of the permit process. This was adopted as a corrective measure to ensure both in-state and out-of-state CPA firms were fully aware of their Hawaii tax obligations. As you may recall, before this requirement was implemented, there was massive tax noncompliance by out-of-state CPA firms doing business in Hawaii. These out-of-state CPA firms apparently did not know of Hawaii’s tax laws or felt they did not have to comply with Hawaii tax laws.

Under the model Uniform Accountancy Act, NASBA and the AICPA deem any form of notice, including the above-mentioned Hawaii GET license number and address disclosures to the Board of Public Accountancy, to be a form of notice. Such notice, in their view, disqualifies Hawaii from being considered a “No Notice, No Fees” CPA mobility state.

**The notice issue is critical.** Not only does notice force out-of-state CPA firms seeking a permit to be self-compliant with respect to their own taxes, it forces the out-of-state firms to be more informed about Hawaii income, General Excise, and Transient Accommodation taxes for their clients.

Over the past 32 years, my firm has had many clients who were not advised correctly by their out-of-state CPAs of their Hawaii tax obligations. We have observed many millions of tax dollars, interest, and penalties lost to Hawaii because the tax obligations were discovered too late and became uncollectible. The present notice requirement for all CPAs is a practical solution to the problem.

Again, the notice issue is critical. If we drop it through SB 2509, Hawaii will lose millions of tax dollars. If we keep it, NASBA and the AICPA will continue to regard Hawaii as a non-CPA mobility state. So Hawaii has a choice: continue to collect taxes owed to it or forfeit the taxes but get a gold star from NASBA and the AICPA. This is not a tough choice.

**Our firm says collect the taxes and vote NO to SB 2509.**

**How important is keeping Hawaii jobs in Hawaii?**

**Over the years Hawaii has spent hundreds of millions of dollars in state tax credits and grants to encourage Hawaii businesses to grow and develop non-polluting jobs for our younger generation.** There is broad recognition that Hawaii’s children are having to move to the mainland to find good jobs as Hawaii has not done enough to develop Hawaii small businesses.

**Unfortunately, SB 2059 does the opposite by encouraging Hawaii jobs to be out-sourced** by letting out-of-state and foreign CPA practitioners with lower CPA licensing standards practice in Hawaii, without knowledge of Hawaii tax and business laws, and without having to formally obtain a permit to practice and pay the requisite license and permit fees. Out-of-state and foreign CPAs will have lower costs by not having to pay high Hawaii rents and by not complying with Hawaii labor laws in providing minimum wages, health insurance for employees, and social security taxes for foreigners.

**Our firm believes that Hawaii should collect the proper amount of taxes and license fees to lessen the burden on Hawaii residents, that jobs should be kept in Hawaii instead of losing them through legislation such as SB 2059, and that Hawaii CPA practitioners should be on the same playing field in practicing in the CPA profession in Hawaii. Hawaii consumers must also be protected.**

**Please vote NO to SB 2059.**

Thank you for this opportunity to testify, and our firm would be happy to answer any questions regarding this matter.

Respectfully submitted,

A handwritten signature in black ink that reads "Marilyn M. Niwao". The signature is written in a cursive style with a large, stylized initial "M".

Marilyn M. Niwao, M.S.P.H., J.D., CPA, CGMA, ATA  
President





Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol

RE: **Opposition to SB 2059 Relating to Public Accountancy**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Gilbert Matsumoto and I am a certified public accountant, and principal with the firm Matsumoto Group CPA, Inc, a professional corporation on Oahu. I am a licensed practitioner in the State of Hawaii and have been in practice since 1971.

I am vehemently opposed the passage of SB 2059 and the language it contains. Simply put as is it would be "bad law."

It inference's the language contained in the bill implies that Hawaii consumers are "at-risk" because, general public is not being served by the current licensed Hawaii CPA's. Personally and professionally I find this to be insulting.

Potentially Hawaii would be losing tax revenue because this bill would encourage outsourcing, "no notice, no fees" allows for non-compliance. SB 2059 will waive licensing fees for mainland and foreign based CPA's and their firms.

The bill does not contain statutory language as to enforcement actions to compliance.

Simple and to the point.

Thank you, for the right to testify.

Respectfully submitted,

Gilbert Matsumoto  
Certified Public Accountant

# Oberg & Free

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## *Certified Public Accountants*

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February 16, 2018

Senator Rosalyn Baker, Chair  
Committee on Commerce, Consumer Protection and Health

RE: SB 2059

Dear Senator Baker:

We have met before at your office in the State Capital. I live in Omao, Kauai and have our business in Lihue.

I am a member of the Hawaii Society of CPAs Board of Directors and formerly a member of the Hawaii State Board of Accountancy. I am requesting your support of SB 2059 regarding CPA professional mobility.

This bill is important to legalize what is needed in today's world of professional accountability as CPAs do their work across state lines. I want you to know that this bill will in no way take business away from firms like ours, Oberg & Free CPAs. We are constantly turning down or referring new business to others.

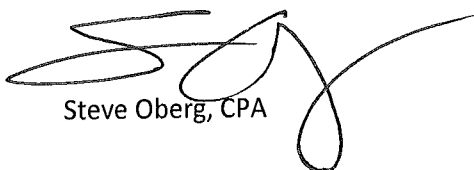
Sometimes our clients or other businesses need the expertise of a CPA from the mainland. We'd like to have the opportunity to refer that business without concern of Hawaii professional licensing issues.

Another good reason for this CPA mobility bill is that it gives the Hawaii State Board of Accountancy automatic jurisdiction over any CPAs working in Hawaii. Currently that is not the case. Out of state CPAs can escape any fines or sanctions since our state has no rules to allow that. Mobility would give our Board of Accountancy the authority to punish bad actors coming in from outside Hawaii.

Finally, we are the only state that has not passed CPA mobility legislation. Are all the others wrong in doing this? I don't think so. Mobility has the support of all the national and state boards that regulate our profession.

Thanks for taking the time to consider my views and request to pass this important bill.

Aloha,



Steve Oberg, CPA

Testimony of Warren Y. F. Wee, CPA

**In Support of SB 2059**

Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018 at 9:00 am

Conference Room 229, State Capitol, 415 Beretania Street

Dear Chair Rosalyn Baker, Vice Chair Jill Tokuda, and committee members:

I am a licensed CPA in the State of Hawaii supporting SB 2059.

Mobility will provide the citizens of Hawaii with the opportunity to seek the most qualified professionals whether located locally or on the US mainland to who can service our accounting needs.

To become a CPA, all license holders must complete an educational program, pass a national examination, and obtain relevant work experience in the field.

Mobility ensures that the citizens of Hawaii will be best served. It also ensures that the Hawaii Board of Public Accountancy will have jurisdiction over all CPAs practicing in Hawaii which will protect the public interests.

I urge you to vote in favor of SB 2059.

Sincerely,



Warren Y. F. Wee, CPA

1541 Dominis Street, #603

Honolulu, HI 96822

Ronald I. Heller  
700 Bishop Street, Suite 1500  
Honolulu, Hawaii 96813

phone 808 523 6000 fax 808 523 6001  
rheller@torkildson.com

Before the Senate Committee on  
**COMMERCE, CONSUMER PROTECTION, AND HEALTH**

Tuesday, February 20, 2018 at 9:00 a.m. Conference Room 229

**Testimony of Ronald I. Heller**

**In Support of Senate Bill 2059  
Relating to Certified Public Accountants**

Chair Baker, Vice-Chair Tokuda, and Members of the Committee:

I have been a licensed CPA in Hawaii for more than 37 years, and I SUPPORT Senate Bill 2059.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual for a CPA to have clients with investments in multiple states, requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without CPA mobility legislation.

I would be happy to respond to any questions you may have.

Respectfully submitted,

*Ronald I. Heller*

Ronald I. Heller

## Support of SB 2059

Chair Rosalyn Baker and Committee:

My name is Chad Funasaki and I am an audit principal here at N&K CPAs, Inc. which is one of the largest CPA firms here in the State of Hawaii. Over my many years, I have seen the profession change and along with change comes added complexity. We provide professional services to a diverse client base but there are those businesses here in Hawaii that require unique specialization and would be best served by CPAs from the mainland.

We are currently the only state without CPA mobility. It is hard to believe that 49 other states find CPA mobility to be favorable while Hawaii has taken the stance that it is not. The opposition has always stated that CPA mobility would be bad as it would take away work from the local practitioners. This is simply not true. CPAs from the mainland are still doing work here locally. However, without mobility, Hawaii regulators have no jurisdiction over mainland CPAs in the event they violate Hawaii state law. Mobility would grant the Hawaii Board of Public Accountancy automatic jurisdiction over every CPA performing work here in Hawaii.

Please support and protect our local businesses and profession by passing SB 2059.

Sincerely,

Chad K. Funasaki



**Committee on Commerce, Consumer Protection, and Health**

**Tuesday, February 20, 2018 at 9:00 a.m.**

**Conference Room 229**

**State Capitol**

**Re: Opposition to SB 2059 Relating to Public Accountancy**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and practice public accounting on Oahu. I am the president of the firm and have 13 employees. All of my employees live and work in the State and 11 of our professionals are products of universities or community colleges here on Oahu.

I strongly oppose SB 2059 which provides for “No Notice, No fees” CPA mobility for out-of-state and foreign CPAs practicing in Hawaii. Passing this bill will result in:

- exporting of local jobs to the mainland and overseas, and reducing the number of Hawaii accounting jobs available for the younger generation of Hawaii accountants;
- less consumer protection for Hawaii businesses and individuals by allowing out-of-state and foreign CPAs to practice in Hawaii without a Hawaii license or permit;
- removes requirement that all out-of-state CPA firms doing business in Hawaii must provide their Hawaii General Excise Tax (GET) license numbers, as is currently required for in-state CPA firms.
- Limits the regulation and control of the State of Hawaii’s Department of Commerce and Consumer Affairs Professional and Vocational Licensing of out-of-state and foreign CPAs who are currently licensed in Hawaii because they will no longer need Hawaii licenses and permits.
- allows out-of-state CPA firms to be owned by non-CPAs while Hawaii CPA firms must be owned 100% by CPAs – a practice that would be misleading, confusing, and dangerous to Hawaii’s public;
- adds an “evergreen” model act (Uniform Accountancy Act) to be used as the statutory authority for automatic change to Hawaii’s laws every time the AICPA (a private trade organization) and NASBA (another private organization) decide to change model act provisions. No state currently

has adopted all of the provisions of the UAA as this is a model act with suggested language with its eighth edition, and it would be dangerous to delegate Hawaii statutory authority to out-of-state private institutions, largely controlled by the large international CPA firms and accountants who do not practice public accounting.

SB 2059 also discriminates against local Hawaii CPAs by failing to provide a “fair and level playing field” as compared to out-of-state CPAs:

- 1) requiring lower UAA “substantially equivalent” licensing standards for out-of-state CPAs while Hawaii CPAs achieve higher licensing standards of two years of public accounting experience or its equivalent,
- 2) exempting the requirement of firm permits for certain out-of-state CPAs which is necessary to comply with Hawaii’s new peer review requirement,
- 3) failing to provide authority to assess fees and stiffer fines against out-of-state CPAs to recover costs of investigation and any disciplinary action if a complaint is filed against them.

**Please protect Hawaii’s jobs, taxes and fee revenues, and protect Hawaii’s consumers by voting NO to SB 2059.**

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gary Y. Miyashiro". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Gary Y. Miyashiro, CPA

ERIC H. MATSUDA  
CERTIFIED PUBLIC ACCOUNTANT  
1481 S. King Street, Suite 540  
Honolulu, Hawaii 96814  
(808) 949-7651

**Committee on Commerce, Consumer Protection, and Health**

**Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol**

**Re: Opposition to SB 2059 Relating to Public Accountancy**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and practice public accounting on the island of Oahu.

I strongly oppose SB 2059 which provides for "No Notice, No fees" CPA mobility for out-of-state and foreign CPAs practicing in Hawaii. Passing this bill will result in:

- exporting of local jobs to the mainland and overseas, and reducing the number of Hawaii accounting jobs available for the younger generation of Hawaii accountants;
- less consumer protection for Hawaii businesses and individuals by allowing out-of-state and foreign CPAs to practice in Hawaii without a Hawaii license or permit;
- removes requirement that all out-of-state CPA firms doing business in Hawaii must provide their Hawaii General Excise Tax (GET) license numbers, as is currently required for in-state CPA firms. This requirement was instituted after a HAPA study found that over 70% of out-of-state CPA temporary permit holders worked for firms who failed to obtain Hawaii GET license numbers which are required to pay Hawaii taxes;
- reduces Board control of out-of-state and foreign CPAs who are currently licensed in Hawaii because they will no longer need Hawaii licenses and permits. (According to the DCCA's report, 687, or 23.8%, of the total 2,892 Hawaii CPA licensees in 2017 are from the mainland or foreign countries.);



- results in the loss of approximately \$210,909 in Hawaii individual licensing fees plus firm permit fees ranging from \$121 to \$345 per firm every two years;
- allows out-of-state CPA firms to be owned by non-CPAs while Hawaii CPA firms must be owned 100% by CPAs – a practice that would be misleading, confusing, and dangerous to Hawaii’s public;
- adds an “evergreen” model act (Uniform Accountancy Act) to be used as the statutory authority for automatic change to Hawaii’s laws every time the AICPA (a private trade organization) and NASBA (another private organization) decide to change model act provisions. No state currently has adopted all of the provisions of the UAA as this is a model act with suggested language with its eighth edition, and it would be dangerous to delegate Hawaii statutory authority to out-of-state private institutions, largely controlled by the large international CPA firms and accountants who do not practice public accounting.

SB 2059 also discriminates against local Hawaii CPAs by failing to provide a “fair and level playing field” as compared to out-of-state CPAs. Other than fees and taxes, some of those provisions include:

- 1) requiring lower UAA “substantially equivalent” licensing standards for out-of-state CPAs (which require only one year of “any kind” of experience) while Hawaii CPAs achieve higher licensing standards of two years of public accounting experience or its equivalent,
- 2) exempting the requirement of firm permits for certain out-of-state CPAs which is necessary to comply with Hawaii’s new peer review requirement,
- 3) failing to provide authority to assess fees and stiffer fines against out-of-state CPAs to recover costs of investigation and any disciplinary action if a complaint is filed against them.

**Please protect Hawaii’s jobs, taxes and fee revenues, and protect Hawaii’s consumers by voting NO to SB 2059 for the above and many more reasons.**

Respectfully submitted,

Eric H. Matsuda, CPA

**SB-2059**

Submitted on: 2/18/2018 3:41:32 PM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kacey Lock	Individual	Support	No

Comments:

## **Committee on Commerce, Consumer Protection, and Health**

**Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol**

### **Re: Opposition to SB 2059 Relating to Public Accountancy**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a certified public accountant and a principal with the firm of Niwao & Roberts, CPAs, a P. C. on Maui. I am also a member of the State of Hawaii Board of Public Accountancy (Board) and a member of the Enforcement Resources Committee of the National Association of State Boards of Accountancy (NASBA). My testimony in strong opposition to SB 2059 is submitted solely in my capacities as a CPA and as a principal of a Hawaii-based CPA firm and not as a representative of either the Board or NASBA.

**NOT ONE MORE HAWAII JOB LOST TO OUTSOURCING.  
NOT ONE MORE TAX DOLLAR UNPAID BY OUT-OF-STATE CPAS.  
NOT ONE MORE LICENSING FEE DOLLAR LOST.**

**Hawaii can ill afford to lose one more job to outsourcing, yet this is exactly what will happen if SB 2059 is passed.**

By exempting mainland and foreign CPAs from the Hawaii licensing fee and notice requirements facing Hawaii-based CPAs and their firms, mainland and foreign CPAs will be able to avoid the higher cost of Hawaii's office rents and mandated employee benefits. Occupancy costs and payroll/benefits are the two largest costs for a Hawaii-based CPA firm. SB 2059 will create an uneven playing field rewarding mainland and foreign-based firms for basing their employees outside of Hawaii.

### **CAPITAL AND LABOR ARE FLUID.**

In order to mitigate the competitive price advantage SB 2059 will give to mainland and foreign CPAs and their firms, Hawaii-based firms will be forced to shift their own operations and staffing to outside of Hawaii in order to compete in the Hawaii market. For example, my firm does not outsource its work to the mainland or to foreign countries as a matter of policy even though we presently have the technology in place to do so at substantial cost savings. If SB 2059 passes, we will be forced to implement contingency plans for this scenario, starting with opening an office outside of Hawaii and replacing future hires with significantly less expensive employees based elsewhere.

The ripple effect of Hawaii-based firms shifting work to the mainland and foreign countries will be significant. Office occupancy rates will fall, Hawaii contractors will have less work making periodic leasehold improvements, less payroll taxes and GET will be due to Hawaii's Department of Taxation and, of course, future graduates from Hawaii's

colleges and universities will have to seek employment elsewhere. In fact, it might become difficult to justify maintaining schools of accountancy at local colleges and universities after SB 2059 pulls the plug on local demand for their graduates.

**Hawaii can ill afford to lose one more tax dollar, yet this is exactly what will happen if SB 2059 is passed.**

In 2010 the Hawaii Association of Public Accountants (HAPA) study on CPA Temporary Permits to Practice revealed that approximately 70% of outside CPA firms whose owners and/or employees obtained a temporary permit to practice in Hawaii did not obtain Hawaii General Excise Tax (GET) license numbers.<sup>1</sup> Therefore, those out-of-state CPA firms were not paying their share of Hawaii taxes. As documented in HAPA's follow-up study conducted in 2015 tax compliance rates for out-of-state CPA firms licensed in Hawaii skyrocketed once the Hawaii Board of Public Accountancy implemented procedures forcing these out-of-state firms to obtain and provide their GET numbers as part of the application process.<sup>2</sup>

In other words: **Notice = Tax Compliance.**

No similar studies have been conducted in any other state to my knowledge. The combination of the State of Hawaii's public database for GET licenses combined with its Office of Information Practices law made it possible for HAPA to obtain and compare information from different Hawaii databases to perform the two studies. These unique circumstances may not exist in other states, so it is impossible to evaluate changes in tax compliance in other states resulting from their "No Notice, No Fees" legislation.

However, the results of the HAPA Studies are painfully similar to what was discovered in research performed as part of the *(Dis)Honesty Project – The Truth About Lies*, conducted by Duke University professor Dan Ariely, a behavioral economist and psychologist. The *(Dis)Honesty Project* found that the majority of the time people cheat and lie unless they perceive that someone is watching over them – including CPAs apparently. This is why "No Notice, No Fees" is so dangerous from the perspective of tax compliance. Notice establishes internal controls and the audit trail needed to make sure that out-of-state CPAs and their firms pay their fair share of Hawaii taxes. SB 2059 will remove the audit trail by eliminating notice, reducing tax compliance and again giving mainland and foreign CPAs and their firms a competitive advantage in the Hawaii market for CPA services.

**Hawaii can ill afford to lose one more dollar of licensing fee revenues, yet this is exactly what will happen if SB 2059 is passed.**

According to the State of Hawaii *Geographic Report* (Current Licenses) as of January 29, 2018, prepared by the Department of Commerce and Consumer Affairs Professional

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<sup>1</sup> HAPA Study #1 is available at: <http://hawaiiassociationofpublicaccountants.com/hapa-study-1/> .

<sup>2</sup> HAPA Study #2 is available at: <http://hawaiiassociationofpublicaccountants.com/wp-content/uploads/2015/03/Hapa-study-2-page1.png>

and Vocational Licensing Division, there are 695 mainland-based and 23 foreign-based CPAs licensed in Hawaii.<sup>3</sup> That means nearly 25% of all regular Hawaii CPA license holders are based outside of Hawaii. At licensing and permit fee rates in effect, this pencils out that individual CPAs based outside of Hawaii appear to have paid well over \$200,000 in CPA license and permit fees for the two-year renewal cycle. Similarly, the *Geographic Report* shows 160 mainland and foreign-based CPA firms held Hawaii firm permits to practice. That is over 18% of all CPA firms licensed to practice in Hawaii, also representing significant licensing/permit fee revenue to the State. The above fee estimates do not include the dollars collected from individual out-of-state CPAs receiving temporary permits to practice in Hawaii.

SB 2059 will waive licensing fees for these mainland and foreign-based CPAs and their firms. Yet the cost of enforcement actions against mainland and foreign-based practitioners will not go away. SB 2059 will just shift the cost of funding any enforcement actions against mainland and foreign-based practitioners to Hawaii-based CPAs and their firms.

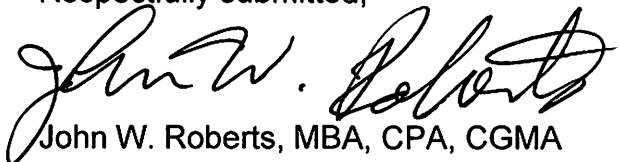
#### PERSONAL COMMENT

The preamble to SB 2059 implies that Hawaii's consumers suffer from a lack of access to the superior technical competencies held by mainland and foreign-based CPAs and their firms. Personally, I find this unsupported assertion to be outrageously offensive. Nonetheless, when the latest *Geographic Report* data is viewed in aggregate, it is clear from the percentages that Hawaii consumers already have ample access to mainland and foreign CPAs.

There are numerous other problems with SB 2059 undermining consumer protection in Hawaii and providing preferential treatment to out-of-state CPAs and their firms - too many to present in any readily readable written testimony. Should any members of this Committee wish to discuss them, I am available to respond to your questions at your convenience.

**In closing, I urge this Committee to vote no to SB 2059 for the above reasons.**

Respectfully submitted,



John W. Roberts, MBA, CPA, CGMA

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<sup>3</sup> DCCA PVL Geographic Report as of January 29, 2018 is available at: [https://cca.hawaii.gov/pvl/files/2018/02/WebGeo\\_012918.pdf](https://cca.hawaii.gov/pvl/files/2018/02/WebGeo_012918.pdf)

**SB-2059**

Submitted on: 2/18/2018 7:20:09 PM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Frederick (Rick) Gundlach	Testifying for Frederick W Gundlach LLC	Oppose	No

Comments:

Frederick W. Gundlach, Esq., CPA

Igodai 1009-1, #221

Narita City, Chiba Prefecture JAPAN 286-0035

To the Committee on Commerce, Consumer Protection, and Health

Re: Opposition to SB 2059 Relating to Public Accountancy

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a solo practitioner CPA who is licensed in New Jersey, Pennsylvania, and now Hawaii. (I am, in fact, one of the most recent licensees for your state.) I live in Japan, where I am developing an expatriate tax services business, and I have a private practice based mostly in south-central Pennsylvania. Living in Japan, I discovered there is a strong connection between US expats and permanent residents with Hawaii and Japan presences, and so I sought licensure with you.

I write in opposition to Hawaii's Senate Bill 2059, the latest "No Notice, No Fee" initiative.

I agree with the local professional accounting group, Hawaii Association of Public Accountants, that is known by the acronym "HAPA". "No Notice, No fees" CPA mobility for out-of-state and foreign CPAs is impractical for Hawaii, and would have negative consequences.

When I researched the rules, I learned that a CPA seeking to serve Hawaii clients for fee-based professional services, even tax returns, needs to come under the regulation of the state. While there may be exceptions under federal power of attorney (Form 2848), as a practical matter, a CPA accepting tax clients in Hawaii should be regulated by Hawaii. It makes sense.

If you allow out-of-state CPAs to come in and practice without regulation, you essentially move a lot of Hawaii's personal tax business to the internet. It will always be more profitable for the large accounting firms sitting in California (or Tokyo or Taipei)

to situate Hawaii's market as a Excel row on a corporate balance sheet. They will always be able to reach into Hawaii under "mobility", but your state's consumer market, and your state's regulators, will not have the same "mobility" over the people doing business in Hawaii. You will have virtually no regulation over them, and also none over the smaller fry whose business is more my size. I'm regulated, why can't they be?

You will easily fail to collect Hawaii's version of the sales tax, and like so much business that migrates to the internet, collection of that tax on those business relationships will be subject to the political sway of the huge stateless corporations that have an increasingly dominant influence over American life.

You will subject your local CPA profession to a competitive disadvantage, since they must maintain all the overhead and the regulatory environment of a "bricks and mortar" establishment in Hawaii. You disadvantage solo practitioners such as myself, who sell personal contact and face-to-face professional advice AND the ability to point to a regulatory board in Hawaii that assures that I am not a so-to-speak fly-by-night accountant. My Pennsylvania LLC comes under Hawaii regulation. I pay fees to Hawaii to maintain the regulatory system. I meet Hawaii's educational and professional experience standards, which are competitive with New Jersey but still unique.

"No Notice No Fees" would mean that Hawaii by default will only require what the state with the easiest regulatory state environment asks for. We have given so much of America over to Southern-state standards already. Like New Jersey, like Pennsylvania and California, our states have to begin to fortify some very modest walls to say that the race-to-the-bottom on valid government regulation of the economy needs to stop.

Here is the modest wall I had to climb over: I had to file for a Hawaii license. I had to fill out the forms, pay the fee which supports the regulatory initiative, and prove that I was who I said I was, and had the experience and education that I did. If I could do that as a small solo, then the big accounting firms sitting in California, who want to send a junior or a senior into Hawaii, can easily do the same. Especially, they can even apply for temporary permission.

I have seen here in Japan what happens when there is essentially an unregulated market for American CPA talent. It is a not-well-publicized secret that many people applying or taking foreign (i.e. US) CPA jobs in downtown Tokyo are NOT United States licensed CPAs. No one checks. The people speak enough English and they claim to be CPAs, so they get the job. They may have sat for parts, maybe even passed some exam parts. They may have passed the exam, but never filed with a state. They may have filed with a state, but let their license lapse. No one checks to see if they have complied with continuing professional education (CPE), usually a 40-hour-a-year requirement, which is critical in the tax preparer community. It's quite often a mess, because less-than-competent people mess up general ledgers, and then there's a small crisis that gets portrayed as "cultural differences" or the home office not understanding J-GAAP (Japanese accounting rules).

It's all due in Tokyo to the fact that there is no locally-sourced regulatory environment for the foreign (US) CPA.

"Mobility" only works on the mainland because most "mobile" accountants are just working across the state border. New York City based accounting firms can send staff into New Jersey and Connecticut. Philadelphia ones can go into New Jersey and Maryland. Few states are subjected to mobility CPAs who are coming from far distances, and, again, this would be from the Big-4 (former Big-8) accounting firms who just want to shuttle staff in and out. To a big firm, "some island out in the Pacific" has a nuisance regulation that they could just better have done away with, and mainland mobility is the excuse to eliminate it. That's what it sounds like.

Protect Hawaii's residents and local accounting profession by voting NO on Senate Bill 2059.

Respectfully submitted,

Frederick W. ("Rick") Gundlach, Esq., CPA  
Narita City, Chiba Prefecture, Japan  
Member of Bar, Pennsylvania and New Jersey (inactive)  
Certified Public Accountant, Hawaii, Pennsylvania and New Jersey



**SB-2059**

Submitted on: 2/19/2018 7:45:15 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
KLEY	Individual	Oppose	No

Comments:

*I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs.*

**Committee on Commerce, Consumer Protection, and Health**

**Tuesday, February 20, 2018 at 9:00 a.m.  
Conference Room 229  
State Capitol**

**Re: Opposition to SB 2059 Relating to Public Accountancy**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Robert Griffith and I am a young tax professional employed at a CPA firm on Maui, where I was born and raised. I graduated from university last May. Every work day, I spend nearly two hours on the road commuting from the firm in Wailuku to my home in Lahaina. Although the drive can be long, fraught with delays and traffic backups, the experience of learning the tax and public accountancy profession at a local firm makes it worthwhile. I strongly oppose SB 2059 providing for "No Notice, No Fees" CPA mobility because of the detrimental impact it could have on the young accounting professionals of Hawaii like myself.

SB 2059 will allow accounting firms to effectively outsource their labor to mainland and other foreign practitioners. Removing the licensing requirement makes it easier for accounting firms to hire cheaper labor from outside Hawaii. This means less jobs for the young people of Hawaii. We already see a large amount of young people move away from Hawaii to pursue their careers elsewhere simply because there are no jobs for them here. SB 2059 will only compound that issue. Cheaper labor from the mainland and overseas will displace the Hawaii workforce, which means more people of Hawaii will have to look elsewhere for work. Our children will have gone to college to find little opportunity for them. The young people will leave. I will leave. We have to make Hawaii a place where its young people want to stay. The first step in doing so is ensuring we have jobs and careers waiting for them. Voting NO for this law is one small step you can take to making sure this happens. If SB 2059 were already passed, I may not have gotten the job I have today.

This is not to say that mainland and foreign practitioners should not be welcome. Only that, similar to the law profession, we maintain the requirement that those wishing to practice accounting in Hawaii be licensed. Legal knowledge of the state is necessary for practicing accounting. Those wishing to practice in Hawaii must be familiar with the Hawaii tax laws. Keeping the license requirement will ensure that mainland or other foreign practitioners will be able to best help their Hawaii clients.

Please protect the jobs and careers of Hawaii's young professionals like myself by voting NO to SB 2059.

Respectfully Submitted,  
Robert Griffith

**SB-2059**

Submitted on: 2/19/2018 8:15:35 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
John Kaminaka	Individual	Oppose	No

Comments:

*I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs.*

**SB-2059**

Submitted on: 2/19/2018 8:18:23 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Tina Ho	Testifying for Hawaii Association of Public Accountants	Oppose	No

Comments:

I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs.

**SB-2059**

Submitted on: 2/19/2018 8:21:52 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
czarina tiru	Individual	Oppose	No

Comments:

*I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs*

**SB-2059**

Submitted on: 2/19/2018 8:25:34 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Lori Kim	Individual	Oppose	No

Comments:

*I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs.*

**SB-2059**

Submitted on: 2/19/2018 8:49:32 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kawika Kwon	Individual	Oppose	No

Comments:

I have invested a lot of time and money at UH Manoa to pursue a career as an accountant. It was difficult enough to find a job as a newly graduated accountant with minimal experience. To give out-of-state CPAs an advantage by not conforming with the rules that Hawaii based CPAs are required to conform to will not only affect the current Hawaii accounting industry but the future and potential accountants to come as well.

I oppose this bill because it does not benefit Hawaii's future accountants.

**Colleen M. Takamura  
41 Keapua Street  
Wailuku, Hawaii 96793  
(808) 243-9826**

February 19, 2018

Before the Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2017 at 9:00am  
State Capitol  
Conference Room 229

Re: **Opposition to SB2059**  
Relating to Public Accountancy

Dear Chair Baker, Vice-Chair Tokuda and committee members:

I oppose SB 2059 because this bill provides for "No Notice and No Fees" for out-of state and foreign CPAs. The bill also provides that they have the right to practice public accounting without obtaining a temporary permit to practice, without providing notice and without paying any Hawaii license fees. By focusing primarily on only audit services provided by out-out-state CPAs, the bill ignores the regulation of tax and consulting practitioners and those performing other types of CPA services. This bill eliminates the need for those providing services other than auditing to Hawaii's public from obtaining a CPA firm license and providing their Hawaii General Excise tax number.

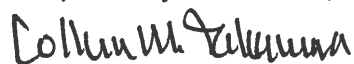
I am a Certified Public Accountant and I work part-time for a local public accounting firm and also part-time for a private firm. I started working in the accounting profession while I was still going to high school. I worked for my fathers accounting firm doing keypunching and minor accounting tasks. I went to the University of Denver and Ohio State University and earned a bachelor's and master's degree in accounting. After schooling, I worked at Deloitte, Haskins and Sells and went to work for a local firm. Later, I went to work for private industry and then came back to public accounting



I work very hard as a CPA in the State of Hawaii. As a resident of the State of Hawaii, I have to renew my CPA license and permit to practice every two years and get the continuing education as required by the Hawaii Board of Accountancy. This bill shows favoritism to those that do not live in the State of Hawaii. Wouldn't you want all of the CPAs that provide services to the public to have a license to practice in the State of Hawaii? This question also brings up the issue of protection of the public. By allowing out-of-state and foreign CPAs to do work in Hawaii with no notice, you are doing a disservice to the public. Who will the public turn to if they need to reach their CPA and the person that the public used is no longer in Hawaii? If the public goes to the Board of Accountancy (BOA) for any for any information or relief, the BOA would not have any information as there was no notice and no fees.

As such, I urge this committee to vote no to SB2059. Thank you very much for this opportunity to testify.

Respectfully submitted,

A handwritten signature in black ink that reads "Colleen M. Takamura". The signature is written in a cursive style with a large initial "C".

Colleen M. Takamura

**SB-2059**

Submitted on: 2/19/2018 8:51:45 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Laurie M. Choy	Individual	Oppose	No

Comments:

I stongly oppose SB 2059 which provides for "No Notice, No Fees" CPA mobility for out of state and foreign CPAs practicing in Hawaii.

I have been in this industry for over 40 years and have worked with many young accountants who have spent a lot of time and energy studying to meet the certification requirements of the State of Hawaii. This bill will allow lesser qualified out-of-state CPAs to practce in our State without paying Hawaii taxes and Hawaii license fees. This outsourcing of our work means less work for Hawaii licenses CPAS.

" Keep jobs for local people".

**SB-2059**

Submitted on: 2/19/2018 8:52:52 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kun Wa Cheong	Individual	Oppose	No

Comments:

*I work for a Honolulu CPA firm and have spent a lot of time and energy studying to be an accountant. I object strongly to this bill which lets lesser qualified out-of-state CPAs practice in this state without paying Hawaii taxes and Hawaii license fees. Any work outsourced to out-of-state and foreign CPAs means less work for Hawaii-licensed CPAs.*

**SB-2059**

Submitted on: 2/19/2018 8:56:17 AM

Testimony for CPH on 2/20/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Hatanaka	Testifying for Hawaii Society of Certified Public Accountants	Support	No

Comments:

Before the Committee on Commerce, Consumer Protection, and Health

February 20, 2018

9:00AM

Conference Room 229

Testimony in Support of SB 2059

Dear Chair Baker and committee members:

I am writing to express my support for CPA mobility, SB 2059. I am a CPA in Hawaii and know that

there are not enough qualified CP As in Hawaii to accommodate all the requests for CPA services. When

there is such a need our state laws should allow qualified CP As to do work in Hawaii without subjecting them to excessive registration burdens. Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

Moreover, since all states except Hawaii have adopted CPA Mobility legislation, by refusing to adopt such legislation, our state is conspicuously refusing to grant reciprocal privileges to CP As in other states, which makes Hawaii CP As vulnerable to retaliation by these other states. Please keep in mind that many Hawaii CPAs have clients in other states and enjoy privileges of Mobility in those states.

SB 2059 provides Hawaii consumers greater access to more qualified CPAs and strengthens the ability of the Board of Public Accountancy to protect public interests. I urge you to pass SB 2059.

Robert K. Hatanaka, CPA  
700 Bishop Street, Suite 1040  
Honolulu, Hawaii 96813  
808-531 -1040

**Before the Committee on Commerce, Consumer Protection, and Health**

Tuesday, February 20, 2018  
9:00 a.m. – Conference Room 229

*Roan K. Hirose, CPA, LLC*

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PO Box 1799 Wailuku Hawaii 96793  
Phone: (808) 793-2932 Fax: (808) 793-2012

IN SUPPORT OF SB 2059

February 11, 2018

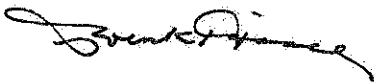
Chair Baker, Vice Chair Tokuda and Members of the Committee

I am writing in support for CPA mobility, SB 20159. My name is Roan Hirose and I am a CPA on Maui, in practice since 1988. My firm provides audit and tax services. Although, I have built a strong client base over the years and no longer accept new work I can say there were circumstances during my career where mobility would have been an asset.

I was approached to submit a proposal for audit services. The entity was specialized and involved more man hours which I could provide on my own. I had a colleague from Hawaii then living on the mainland. He had experience in the industry and was willing to assist. After doing due diligence we ended up not proposing. Among the reasons were the requirements of out of state CPAs working in Hawaii.

Missing on this engagement potentially cost me experience I could have gained and used to grow my business.

Sincerely,



Roan K. Hirose, CPA

# Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018  
9:00 a.m. – Conference Room 229

Testimony In Support of SB 2059 – Relating to Public Accountancy

I'm a sole practitioner and a Certified Public Accountant since 1991. **I SUPPORT SB 2059.**

It is vitally important that any Certified Public Accountant who practices in the state of Hawai'i regardless where they have been licensed come under the jurisdiction of the Hawai'i State Board of Accountancy.

I'm simply tired of a small opposition group that has prevented the passage of this legislation and Hawai'i being the last state and US territory to pass mobility legislation. This law is about accountability that is the cornerstone of our profession. The fact that practitioners can come into our state and do work without any jurisdiction under the Board of Accountancy is unconscionable. In essence, Hawai'i provides diplomatic immunity for these practitioners.

The opposition always goes back to the same old excuses, such as, there will be 1,000's of foreign CPAs into our state and take our jobs. Frankly, we cannot keep our own people in our state due to better opportunities and better costs of living on the mainland. There is a severe shortage of accountants already, especially on the neighbor islands.

Another excuse is that CPAs from other states don't meet that same stringent standards as Hawai'i. Every CPA in the United States have to pass the same uniform exam that is a national standard. We fool ourselves that the 150 credit standard makes better CPAs. Due to costs of education, students obtain their 120 credits with a bachelors degree. The additional 30 credits they take easy level 100 community college courses instead of taking graduate level courses. Look at the statistics at Manoa, the graduate accounting program is at a historic low.

We need to pass mobility to be in line and uniform with the rest of the nation.

The madness in all of this is just like gun control. Same opposition boogey man stories every time and no progress.

Let's have the courage to move forward and pass SB 2059.

Mahalo,



Wendell K. Lee, CPA, CGMA, MT.

Edwin L.W. Tam Ho, CPA  
681 Hina Avenue  
Kahului, Maui, HI 96732

Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and I am writing to request your support for Senate Bill 2059. We're a small firm providing business and individual tax and accounting services on the island of Maui.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,

Edwin L.W. Tam Ho, CPA  
681 Hina Avenue  
Kahului, Maui, HI 96732

Before the Senate Committee on  
Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018  
Conference Room 229 – 9:00 a.m.

## IN SUPPORT OF SB 2059

The Honorable Rosayln Baker and Committee Members:

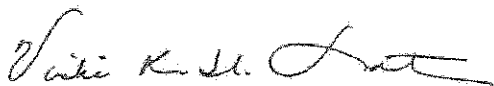
I am a resident of Senate District 10 and am writing to ask for your support on an issue that is important to me.

I have worked for 36 years at a local CPA firm in downtown Honolulu and have presented testimony in the past on the CPA mobility issue. Our firm services clients who have businesses in states outside of Hawaii, and these clients need their Hawaii CPA to be able to practice in other states. SB 2059 enables CPAs to obtain temporary practice privileges outside the state they reside in without obtaining an additional license in another state in order to serve clients.

The other reason I support SB 2059 is that it would give our Hawaii State Board of Accountancy the authority to oversee the practice of CPAs from other states who work here in Hawaii. We already have many mainland CPAs conducting business here in Hawaii and there is no one to ensure that they are conducting business in compliance with accounting standards or our code of Ethics.

This bill would enable businesses and residents of Hawaii to have access to and choose the best qualified CPA to do the work no matter where they reside. Adoption of this bill would provide CPAs the ability to work in different states while strengthening the state board's ability to protect the public interest. I would truly appreciate your support of SB 2059. Thank you!

Respectfully submitted,



Vicki K. H. Shinsato  
3138 Waiialae Avenue, #611  
Honolulu, Hawaii 96816

District No. 10





**JEANNA THACKER. CPA**  
**TAX AND ACCOUNTING SERVICES**

Before the Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## **Senate Bill 2059 – In Support**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Jeanna Thacker, CPA, and I support **SB 2059** to regulate out-of-state CPAs practicing accountancy in Hawaii. I have a small practice on the island of Maui preparing tax returns, in addition to working remotely for a CPA firm in California.

CPAs who reside elsewhere already work in Hawaii either in person, over the phone lines or via the internet yet our Board currently has no jurisdiction over them. Passing SB 2059 would give the power to the Board to protect consumers of CPA services even when they use an out-of-state accountant. I hope this committee will recognize that we live in a time of global commerce and that what is important to Hawaii businesses is gaining access to qualified CPAs wherever they reside and the assurance that proper authority is put in place to protect consumers from harm.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest.

I humbly ask for your support of SB 2059.

Respectfully,

Jeanna Thacker  
10 Iliwai Loop  
Kihei, HI 96753

Testimony of Jill Ishimitsu  
In Support of SB 2059

Committee on Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00 AM  
State Capital Conference Room 229

Dear Chair Baker, Vice Chair Tokuda, and Committee Members:

I am writing to express my support for CPA mobility, SB 2059.

The opponents of this bill state that mobility puts Hawaii CPAs at a competitive disadvantage as mainland firms will take work away from the local CPA firms. While I understand this is a concern, I believe the bigger concern is that the Board of Accountancy does not have the power to discipline out of state CPAs who perform work in Hawaii and do not abide by our laws.

Additionally, I believe there is a need in Hawaii for accountants with specialized skills. At times our clients require an audit or other type of specialty report. We do not have the expertise in this area because it is so specialized. We need to recruit an accountant from the mainland to service our client, but run into barriers as they are not licensed in Hawaii. By allowing these accountants to practice in Hawaii, our clients receive quality service and our Hawaii accountants have the ability to work with and learn these specialties.

Thank you for your consideration in supporting SB 2059.



Jill Ishimitsu, CPA  
94-510 Lumiaina Street K201  
Waipahu, HI 96797

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and I am writing to request your support for SB 2059. **I have a small CPA practice and am often requested to file tax returns in other states for people who recently moved to Hawaii, or for residents who move to the mainland and want to maintain Hawaii connections for when they return to Hawaii.**

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

**If Hawaii does not approve the mobility standards that have been approved by ALL other states, my practice will be limited in that I will not be able to properly serve my clients who need tax return assistance in other states when those states refuse to allow me to operate in their jurisdiction. That will force taxpayers to seek out less professional solutions to their needs and affect my business income and therefore the taxes the State of Hawaii will collect from my company.**

I humbly ask for your support of SB 2059.

Respectfully submitted,



James M. Smith, Jr., CPA

Testimony to the  
Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018  
9:00 a.m. in Conference Room 229

February 16, 2018

Chair Baker, Vice Chair Tokuda and Committee members:

Re: In Support of SB 2059

My name is Dwayne Takeno and I am an audit principal at N&K CPAs, Inc. I am writing to you in support of SB 2059. As one of the owners of one of largest CPA firms in the State of Hawaii I would like to see Hawaii pass mobility for CPAs. Hawaii is the last state yet to adopt mobility.

This would allow the Hawaii Board of Public Accountancy jurisdiction over CPAs residing outside Hawaii and practicing here. It also would provide consumers of CPA professional services greater access to CPAs who have specialized experience and protection from CPAs who do not perform the quality of work required by our professional standards.

Your support of SB 2059 would be greatly appreciated. Thank you for your time and consideration.

Sincerely,



Dwayne S. Takeno, CPA  
500 University Avenue #1808  
Honolulu, HI 96826  
(808) 561-0796  
[dwaynetakeno@yahoo.com](mailto:dwaynetakeno@yahoo.com)

Before the Senate Committee on  
Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018  
Conference Room 229 – 9:00 a.m.

***EDMUND N. NAKANO***  
***98-709 Nohoaupuni Place***  
***Aiea, Hawaii 96701***

The Honorable Rosalyn Baker and Committee Members:

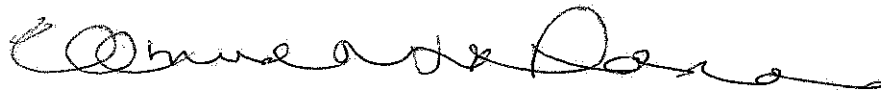
I have been a CPA in Hawaii since 1974 and my name is Edmund Nakano. Once passing the CPA exam, CPAs across the United States are able to work on a limited basis in any state except Hawaii.

Why is Hawaii the only state that does not have CPA mobility? Opponents of mobility argue that out-of-state CPAs will deprive Hawaii based CPAs of these services. I feel that this is unlikely for the following reasons:

- Hawaii CPAs have more work than they can handle especially in the neighbor islands.
- Most locals will probably seek qualified Hawaii-based CPAs to perform their services vs. out-of-state CPAs unless their required specialized services are not available in Hawaii.
- Certain industries require specialized services that is very limited in Hawaii.
- Accordingly, limiting access to CPAs with this specialized expertise will not properly serve the Hawaii-based business.

Please allow consumers of accounting services in Hawaii to have access to the best qualified CPA wherever they reside. Your support of SB 2059 is sincerely appreciated.

Very truly yours.



Edmund N. Nakano, CPA, CGMA

Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018

9:00 a.m. – Conference Room 229

TO: Chair Baker and Committee

FROM: Adrian Hong, President of Island Plastic Bags, Inc.

RE: SB 2059 RELATING TO PUBLIC ACCOUNTANCY

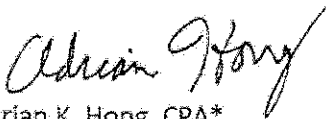
POSITION: STRONGLY SUPPORT

Thank you for the opportunity to submit testimony in support of SB 2059. My name is Adrian Hong and I am president of Island Plastic Bags Inc., a second-generation, family business in Halawa Valley. As a CPA (not in public practice) and an owner of a local business I think it is important that Hawaii allow for CPA mobility.

Mobility would allow my company to bring in experts on valuation of manufacturing businesses should I choose to sell my business. Mobility would allow us to bring in experts on manufacturing to audit my business should my bank ever require it. Without mobility it would be very difficult to find a Hawaii firm with the necessary expertise in manufacturing, especially plastic manufacturing, to help provide the services we need as there is very little in the way of manufacturing in Hawaii.

Mobility provides companies and organizations (ex. not-for-profits) the ability to use the services of professionals with expertise in industries and transactions that are not normally found on Hawaii. That is why CPA mobility should be allowed. Thank you for the opportunity to testify. I humbly ask for your support of SB 2059.

Sincerely,



Adrian K. Hong, CPA\*

President

Island Plastic Bags, Inc.

[www.islandplasticbags.com](http://www.islandplasticbags.com)

Email: [adrianhong@gmail.com](mailto:adrianhong@gmail.com) | Phone: 808-484-4046 | Fax: 808-488-8505

\*Not in public practice

Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am  
Conference Room 229

Dear Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my strong support for CPA mobility, SB 2059.

Before moving to Hawaii, I practiced as a CPA in California which passed mobility law in September 2012 (the 49<sup>th</sup> state passed the mobility law). The law is to provide cross-border privileges for CPAs under a "no notice, no fee, no escape" regulatory regime. Before the passing, the community also went through a lot of debates for the pros and cons for the mobility law. The main concern was also the possibility of taking away work from local CPA firms. However, after the passing of the law, we did not lose any clients. Instead, the passing of the mobility eliminates the possibility of retaliatory action by other states that could reduce opportunities outside the state for us.

Further, due to the rapid change in how business is conducted and the complexity of the regulatory requirements and laws, there is a need in Hawaii for accountants with specialized skills and knowledge to better service their clients for their need. As many Hawaii businesses have expanded their business to other parts of mainland, it is time for Hawaii to pass CPA mobility to protect the consumers by enable better access to the services they need.

Thank you for your consideration in support SB 2059.

Sincerely yours,



Suh Kabei  
1565 Ala Napunani Street  
Honolulu, HI 96818


Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am  
Conference Room 229

Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my strong support for CPA mobility, SB 2059.

As you may be aware, Hawaii is the only state that does not have CPA mobility in the U.S. Mobility law passed in other states allows Hawaii CPAs to work in other states. On the other hand, if a Hawaii business wants to use an out-of-state CPA, that CPA will need to go through a burdensome process to apply for a firm permit and have a licensed CPA attached to the firm. Opponents of mobility say that out of state CPAs will take away local CPA jobs, however, if there are well-qualified Hawaii-based CPAs, it is unlikely the local business would want to seek services from out-of-state CPAs. From my personal perspective, I do not believe the passing of the CPA mobility will impact my practice. The reality is that I have many clients moved from Mainland to Hawaii and switch their CPA services to us because they want to have their CPAs locally. I also have clients who have moved away from Hawaii for years and still retain our service because they like the services they received. It is time for Hawaii to catch up with the rest of the country by passing mobility for CPAs here. Please pass SB 2059.

Sincerely yours,



Jessica Swanson, CPA  
1428 Halekoa Drive  
Honolulu, HI 96821



Before the Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Ronald S. Gouveia, CPA, CITP, and I support SB 2059. I work in a small accounting firm with an office in Hawaii but which prepares tax returns in many states. I strongly support this bill because of the important and necessary changes to the accounting industry in Hawaii, the increased consumer protection as well as the impact to clients in Hawaii.

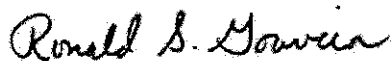
Under our current laws, the Hawaii Board of Public Accountancy does not have the absolute ability to regulate and discipline out-of-state licensees who may be serving clients in Hawaii. Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

Hawaii businesses would also see a direct benefit from mobility. As the economy becomes more global and more complicated, businesses require specific expertise at a moment's notice. Sometimes the right CPA is from Nebraska and needs to get to Hawaii quickly. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our state's businesses - large and small - can better deliver their products and services around the country and around the world.

As well, this legislation is necessary due to the increasing frequency of Hawaii CPAs practicing across state lines on a temporary basis. It is not unusual to have Hawaii clients with offices in other states, requiring multiple state tax returns. Many states used to require lengthy applications and fees; every other state in the country has eliminated these requirements. If Hawaii continues to be the only state without mobility, there is the possibility that other states may revise their mobility law to preclude Hawaii CPAs from working in their state unless they obtain the state-specific license. This would increase fees for Hawaii CPAs and potentially affect the Hawaii CPA's ability to properly serve its client.

Thank you in advance for your consideration of Senate Bill 2059.

Respectfully submitted,



Ronald S. Gouveia, CPA, CITP  
45-413 Mokulele Drive #16  
Kaneohe, HI 96744

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 – 9:00 a.m.

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Ryan Suekawa, CPA, and I support *Senate Bill No. 2059* to regulate out-of-state CPAs practicing public accountancy in Hawaii. I was born and raised in Hawaii. I graduated from the University of Hawaii at Manoa and work in an accounting firm with offices and resources in multiple states.

I strongly support this bill because it would help Hawaii Law reflect the realities of modern business, and help our Hawaii-born young professionals return home.

The practice of public accountancy in the world is no longer a sole proprietor inspecting a business's paperwork from their office down the road. Hawaii-based businesses have grown beyond our island geography. Additionally, technology and online operations allow businesses to operate in multiple states. As more businesses expand into other states, I believe it is increasingly vital that their business advisors, including CPAs, also have the ability to efficiently cross state lines to provide professional services. I believe Senate Bill No. 2059 will help businesses operating in Hawaii receive efficient public accountancy services.

Furthermore, I believe the current public accountancy laws must be amended to efficiently allow for our Hawaii-born CPAs to return home and contribute to our Hawaii economy.

Throughout my career, I have noticed that some of Hawaii's best and brightest high-school students seek college opportunities on the mainland. Many of these students study in accounting, begin their career in public accountancy firms on the mainland, develop valuable skills, obtain their CPA license, and want to return home to Hawaii. When our young Hawaii-born CPAs start the process of returning home to Hawaii; they are met by an inefficient Hawaii CPA licensure process that prevents them from returning home. Having seen the negative effects of Hawaii's current CPA regulations on young Hawaii-born professionals, I believe current Hawaii public accountancy laws have created unnecessary barriers to prevent our young Hawaii-born CPAs from returning home to work.

Thank you in advance for your consideration of *Senate Bill 2059*.

*Respectfully Submitted,*



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Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Todd K. Matsushita, a Principal at a Hawaii CPA firm which provides assurance, tax and consulting services to numerous Hawaii companies of all sizes doing business across numerous state jurisdictions. I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Todd K. Matsushita  
98-693 Keikialii Street  
Aiea, HI 96701

Senate Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Cory J. Kubota, CPA and I support SB 2059 to establish procedures for an out-of-state individual licensed as a certified public accountant or certain accountancy firms to be granted practice privileges in this State by the board of public accountancy if the licensee or firm meets certain qualifications and requirements for substantial equivalency.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since the 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

I humbly ask for your support of SB 2059.

Sincerely,

A handwritten signature in black ink, appearing to read "Cory J. Kubota". The signature is fluid and cursive, with the first name "Cory" being the most prominent.

Cory J. Kubota  
1066 Koko Kai Place  
Honolulu, HI 96825

Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

**In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Fiona Bland, CA, and I support SB 2059 to establish procedures for an out-of-state individual licensed as a CPA to be granted practice privileges in Hawaii by the board of public accountancy if the licensee or firm meets certain qualifications and requirements for substantial equivalency. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This bill will break down artificial barriers to interstate practice, while at the same time enhancing the regulatory system to ensure consumer protection. This legislation will allow a CPA with a valid state license to obtain **temporary** practice privileges in Hawaii. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Please support SB 2059. Thank you for the opportunity to testify.

Respectfully submitted,



Fiona Bland

House District 25 – Representative Sylvia Luke  
Senator District 11 – Senator Brian Taniguchi

Before the Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018

9:00 a.m.

Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Galen G. L. Lum and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. I have an active certified public accounting practice in Honolulu, Hawaii that is going on thirty-six years now.

This bill will remove barriers to interstate practice, while at the same time enhancing the regulatory system to ensure consumer protection. This legislation will allow a CPA with a valid state license to obtain **temporary** practice privileges in Hawaii. This bill would allow consumers and businesses in Hawaii to be able to receive timely services from the CPA a client decides to be best suited to the job requirements, regardless of location.

This bill is necessary due to the fact that CPAs are able to practice in every state in the country, with the exception of Hawaii, across state lines on a temporary basis. It is not unusual for clients with offices in multiple states requiring the services of their primary CPA. Many states used to require lengthy applications and fees, which were a barrier to CPAs serving out-of-state clients. Every state in the country, with the exception of Hawaii, has eliminated these requirements. This bill also ensures that the Hawaii Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

In order for CPAs to offer their service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation would do both. Mobility legislation has already been passed in 49 states – Hawaii is the last and **ONLY** state without mobility legislation.

I respectfully ask for your support of Senate Bill 2059.

Sincerely submitted,



Galen G. L. Lum, CPA

House District 23 – Representative Isaac Choy  
Senate District 11 – Brian Taniguchi

Donn Nakamura  
1288 Kapiolani Boulevard #1909  
Honolulu, Hawaii 96814

Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018  
9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Donn Nakamura, CPA, and I support SB 2059, to regulate out-of-state CPAs practicing accountancy in Hawaii. I am an auditor with a local CPA accounting firm. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

Many CPAs serve business clients who have operations in multiple states and have compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,



House District 26 - Representative Scott Saiki  
Senate District 12 - Senator Brickwood Galuteria

Testimony in Support  
Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 – 9:00 a.m.  
Conference Room 229

**IN SUPPORT OF SB 2059**

Chair Baker, Vice Chair Tokuda and Committee members:

My name is Michael I. Tanaka, CPA, and I support CPA mobility, SB2059. I am with a local CPA firm that does tax, audit and consulting work for a number of clients that operate here in Hawaii and in other states. We also communicate and work with CPAs in other states. I am very concerned that our State, unlike all the other States and U.S. territories, has not yet adopted individual CPA mobility.

States that currently grant practice privileges to Hawaii CPAs could choose to add quid pro quo provisions to their statutes. This would mean that we would be required to obtain reciprocal licenses in those states resulting in unnecessary added time and expense for Hawaii CPAs that serve Hawaii clients conducting business in those states.

It is also important that with individual CPA mobility, the Hawaii State Board of Public Accountancy (Board) would have the ability to discipline a CPA from another state in the event of any wrongdoing while practicing in Hawaii. This is especially needed to help protect Hawaii consumers from unscrupulous out-of-state practitioners. Currently, the Board has no jurisdiction over out-of-state CPAs operating in Hawaii.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,



Michael I. Tanaka, Senate District No. 11



Testimony in Support to the  
Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 – 9:00 a.m.

Conference Room 229

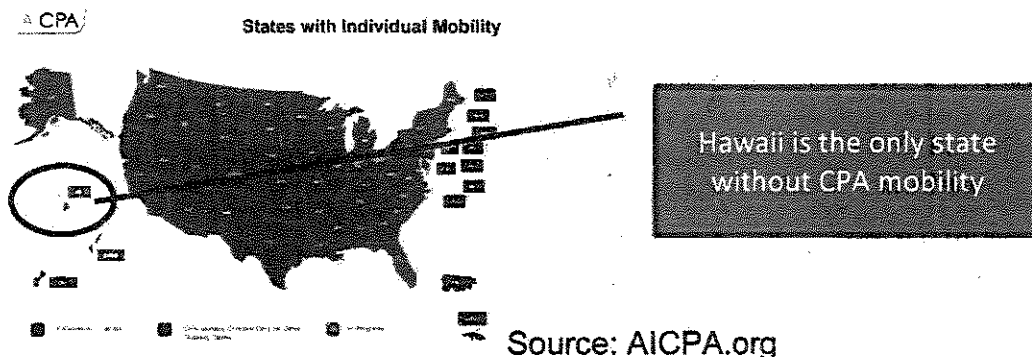
**IN SUPPORT OF SB 2059**

Dear Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my support for CPA mobility, SB2059. My name is Ying Yan Chen. I am a CPA and currently working at a local CPA firm that does tax, audit and consulting work for a number of clients that operate here in Hawaii and in other states. I am deeply concerned that our State is the only state in the U.S. that has not yet adopted individual CPA mobility. Please refer to the CPA mobility map below.

The most important aspects of SB2059 is that it allows for the Hawaii State Board of Public Accountancy jurisdiction and the ability to discipline a CPA from another state in the event of any wrongdoing while practicing in Hawaii and especially if a Hawaii consumer is harmed. This measure would provide greater oversight over all CPAs and assurance that proper authority is in place to protect Hawaii consumers from harm.

It is time for Hawaii catches up with the rest of the country by passing individual CPA mobility here. I humbly ask for your support to pass SB 2059. Thank you for your consideration.



Sincerely,

Ying Yan Chen, Senate District No. 11

**C&Y CPAs LLC, Certified Public Accountants**

715 S. King Street, Suite 400, Honolulu, Hawaii 96813-3027  
Telephone (808) 521-4974 Fax (808) 537-9382

## IN SUPPORT OF SB 2059

Chair Baker, Vice Chair Tokuda and Members of the Committee:

I am confused as to why there has been so much resistance to streamline the process for allowing CPAs to do work in Hawaii. Rather than continue the onerous permitting process, Hawaii would be better served by enhancing the power of the Hawaii Board of Public Accountancy to discipline all CPAs. Our Board currently has no jurisdiction over out-of-state CPAs and passing SB 2059 would give the Board power to protect consumers of all CPA services.

I believe this committee will recognize that we live in an era of global business. Hawaii people need to be able to gain access to qualified CPAs wherever they reside and be assured that proper authority is put in place to protect them from harm. I humbly ask for your support of SB 2059.

**Note: C&Y CPAs is a small, local firm inviting healthy competition locally and abroad to assure Hawaii people receive the best service at a competitive price.**

Sincerely,



Darryl Nitta  
Managing Director of C&Y CPAs LLC

To the Senate Committee on

Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018  
9:00 a.m. – Conference Room 229

Before the Senate Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## **Senate Bill 2059 – In Support**

Chair Baker, Vice Chair Tokuda, and Committee Members:

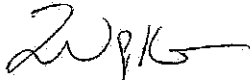
My name is Lisa Ng Kato, CPA, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both.

Mobility legislation has already been passed in 53 out of 54 jurisdictions (49 states – Hawaii is the only state without mobility legislation).

I humbly ask for your support of Senate Bill 2059.

Sincerely,



Lisa Kato, CPA  
1188 Bishop Street  
Honolulu, HI 96813

House District 26 – Representative Scott Saiki  
Senate District 13 – Senator Karl Rhoads

Senate Committee on Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of Senate Bill 2059. My name is Kim Jones. I am a CPA specializing in taxes with approximately twenty-two years of tax experience in Hawaii.

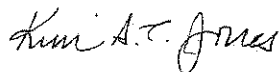
In order for CPAs to offer fast and efficient service to clients nationwide, including Hawaii CPA's who perform work for clients on the mainland, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected as I have seen unfortunate examples of individuals who have relied on advice from unethical tax advisors. This proposed legislation will accomplish both objectives. Mobility legislation has already been passed in 49 states – Hawaii is the **only** state without mobility legislation which at this point is embarrassing for Hawaii.

Passage of mobility legislation will give authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

In closing, I ask you to please support Senate Bill 2059.

Sincerely,



Kim Jones  
1590 Kalaniuka Place  
Honolulu, HI 96821

Before the  
Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 – 9:00 a.m.

Conference Room 229

## **IN SUPPORT OF SB 2059**

The Honorable Rosalyn Baker and Committee Members:

I am a CPA and partner of a local CPA firm, have been in practice for over 40 years, and fully support CPA mobility, SB 2059.

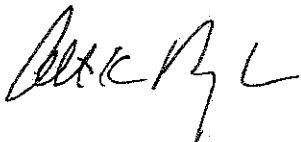
Our firm is a full service firm and provides assurance, tax and consulting work for many clients that operate in Hawaii as well as other states, and we communicate and work with out of State CPAs all the time. It concerns me that Hawaii is the only state that has not yet adopted individual CPA mobility like all the other states and U.S. territories.

Mobility would allow an out-of-state licensed CPA to practice in Hawaii on a limited basis without having to obtain a Hawaii CPA license. This would allow Hawaii businesses access to CPAs from other states with specialized knowledge and skills that may not be available from CPAs in Hawaii. Similarly, mobility laws allow Hawaii CPAs to work in other states which allows opportunities for Hawaii CPAs to branch out.

Furthermore, passing the mobility bill would give the Hawaii State Board of Accountancy jurisdiction over all CPAs doing business in Hawaii, including the power to discipline out-of-state CPAs. Right now, the Board has no jurisdiction over out-of-state CPAs operating in Hawaii and consumers have no protection should any wrongdoing occur

I ask for your support of SB 2059 and thank you for giving me the opportunity to testify.

Respectfully submitted,



Alton K. Miyashiro

Senate District No. 9

Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

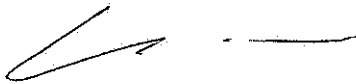
My name is Colin Lee and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. I am a Realtor and former CPA, and my clients often require tax expertise from CPAs during the home buying and selling processes.

I support this bill because there are times that specific and/or highly specialized services from out-of-state practitioners are needed on very short notice, most often in the midst of a major transaction. In some cases, the firm best able to perform the services cannot do so because, while licensed elsewhere, they are not licensed in Hawaii and obtaining a temporary license is not possible in the required timeframe. There are also situations where certain specialized services are not widely available in Hawaii and the few local firms that do that kind of work cannot accommodate the job due to work load.

As a Realtor with a certificate in relocation services, I work with many clients who are relocating to and from the mainland that would benefit from this bill.

Thank you in advance for your consideration of SB 2059.

Respectfully submitted,



Colin Lee  
746 15<sup>th</sup> Avenue  
Honolulu, HI 96816

House District 19 – Representative Bertrand Kobayashi  
Senate District 9 – Senator Stanley Chang

Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 – 9:00 a.m.  
Conference Room 229

## **IN Support of SB 2059**

The Honorable Roslyn Baker and Committee Members:

My name is Lawrence Chew. I am a licensed CPA in the State of Hawaii. I am writing in support of CPA mobility, SB 2059. Mobility would allow an out-of-state licensed CPA to practice in Hawaii on a limited basis without having to obtain a Hawaii CPA license. Furthermore, mobility would give the Hawaii Board of Public Accountancy jurisdiction over all CPAs doing business in Hawaii, including the power to discipline out-of-state CPAs. CPA mobility has been adopted in all of the other states in the United States of America and in many U.S. territories. Mobility laws allow Hawaii CPAs to work in other states. CPA mobility would provide Hawaii business access to CPAs from other states with specialized knowledge and skills that may not be available from local Hawaii CPAs

Your support of SB 2059 is appreciated. Please pass SB 2059.

Respectfully submitted,



Lawrence Chew

Senate Committee on  
Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018 – 9:00 am  
Conference Room 229

**In Support of *Senate Bill No. 2059***

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of *Senate Bill No. 2059*. My name is Dina M.K. Miyahira, CPA, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice should be eliminated. At the same time, with a diverse Hawaiian economy that often expands beyond our island, businesses increasing need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.

With a diverse Hawaiian economy, businesses increasing need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our ALL our state's businesses can better deliver their products and services around the state, country and world.

Currently, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. Hawaii is the only state that continues to put up lengthy applications and fees as an obstacle to businesses gaining the necessary services to succeed. Hawaii is running out of step with the rest of the country meaning we are also losing out when companies are making location decisions. Failure to provide the same operating environment as other states will have a real impact on jobs here.

This bill will eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill No. 2059*.

Respectfully Submitted,



Dina M.K. Miyahira  
CPA



Senate Committee on Commerce, Consumer Protection & Health

9:00 am  
2/20/2018

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Payton Kiuchi, CPA, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast, efficient, and quality service to clients nationwide, barriers to interstate practice should be removed. With a diverse Hawaiian economy that often expands beyond our island, businesses need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.

Hawaii businesses need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our local borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our ALL our state's businesses can better deliver their products and services around the state, country and world.

Help Hawaii eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you for your support of *Senate Bill No. 2059*.

*Respectfully Submitted,*

  
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*District No. Senate 16th*

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018

9:00 am in Conference Room 229

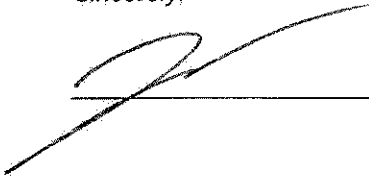
**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Joseph Young, CPA, and I support *Senate Bill No. 2059*, to regulate out-of-state CPAs practicing accountancy in Hawaii. I work in an accounting firm with offices and resources in multiple states and countries, including here in Hawaii. I strongly support this bill because of the necessary changes it would make to help Hawaii law reflect the modern state of accounting and meet the needs of our increasingly global business environment and businesses.

I respectfully ask for your support of *Senate Bill No. 2059*.

Sincerely,

A handwritten signature in black ink, appearing to be 'J. Young', is written over a solid horizontal line. The signature is stylized and cursive.

## Senate Committee on Commerce, Consumer Protection & Health

Hearing Date: February 20, 2018

Hearing Time: 9:00 AM

Conference Room 229

### In Support of *Senate Bill No. 2059*

#### Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Valerie Shintaku, CPA, and I support *Senate Bill No. 2059*, to regulate out-of-state CPAs practicing accountancy in Hawaii. I work in an accounting firm with offices and resources in multiple states. I strongly support this bill because of the important and necessary changes it would make to help Hawaii law reflect the modern state of accounting and the vital support it would bring to our increasingly global business environment.

The practice of accounting in Hawaii is no longer just the local CPA providing services to the local store. As more businesses expand into multiple states through online operations as well as physical locations, it is increasingly vital to the efficiency of those companies that their CPAs also have the ability to cross state lines to provide high quality services. Sometimes the right CPA is from Nebraska and needs to get to Hawaii quickly. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our state's businesses - large and small - can better deliver their products and services around the state, country and around the world.

Currently, Hawaii businesses have reduced access to professional services, putting them at a competitive disadvantage with the West Coast, which already has mobility. In total, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. With the mobility initiative having now been in place as long as 20 years, Hawaii is running out of step with the rest of the country. Businesses making location decisions will consider their access to critical professional services; failure to provide the same operating environment as other states could have a real impact on jobs here.

Implementation of mobility would allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. It improves business operations for our consumers by limiting the need to hire a Hawaiian CPA as well as a mainland CPA. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill 2059*.

Respectfully Submitted,



District No. 23

Senate Committee on  
Commerce, Consumer Protection, and Health

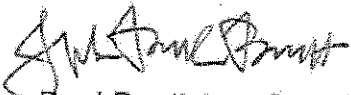
9:00 am - Tuesday, February 20, 2018  
Conference Room 229

**IN SUPPORT OF SB 2059**

Dear Chair Baker and Committee:

I am a CPA and currently working in the public accounting profession in the state of Hawaii. For all other CPAs around the mainland, they are able to work in every state other than Hawaii. Currently, a temporary or firm permit is required in order for the mainland CPA to work in Hawaii, which could be streamlined with mobility laws. Vice versa, mobility laws would allow me and other Hawaii CPAs to also work in other states. I also think one of the most important aspects of SB 2059 is that it allows for the Hawaii Board of Public Accountancy jurisdiction over all CPAs working in Hawaii, including mainland CPAs. This measure would provide greater oversight over all CPAs, which can only serve to better the overall profession in the islands. Please consider passing SB 2059 to benefit the state of Hawaii.

Thank you for your consideration of this bill,



John Paul Bautista – Senate District 9

Senate Committee  
Commerce, Consumer Protection & Health

Tuesday, February 20, 2018  
Conference Room 229 – 9:00 am

**IN SUPPORT OF SB 2059**

Dear Chair Baker, Vice Chair Tokuda and Committee members:

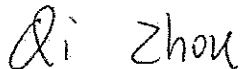
My name is Qi Zhou, CPA, and I am currently working in the public accounting profession in the state of Hawaii. I support CPA mobility, SB2059.

Practice mobility allows CPAs to gain practice privilege outside of their home state without getting an additional license in the state. Currently, a temporary or firm permit is required in order for the mainland CPA to work in Hawaii and Hawaii CPAs also need a permit to work in other states.

So, we would like to have the opportunities to communicate and work with CPAs in other states without spending additional time, effort and expense.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,

Handwritten signature of Qi Zhou in cursive script.

Qi Zhou, Senate District No. 17

Before the Senate Committee on  
Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018  
9:00 a.m. – Conference Room 229

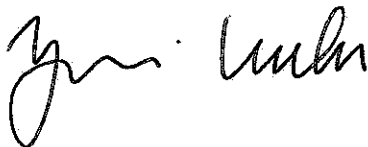
## **IN SUPPORT OF SB 2059**

Chair Baker, Vice Chair Tokuda and Members of the Committee:

I support SB 2059, to regulate out-of-state CPAs practicing accountancy in Hawaii. This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Thank you in advance for your consideration of SB 2059.

Sincerely,



Yumi Ueda

BEFORE THE  
Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 – 9:00 a.m.  
Conference Room 229

**IN SUPPORT OF SB 2059**

Chair Baker, Vice Chair Tokuda and Committee members:

My name is Rommel Marzan, and I am writing to you to voice my support for CPA mobility, SB2059. I am a certified public accountant and have been working for a local CPA firm in Hawaii for almost 20 years. I work with local clients that conducts business operations both here and in many other States. Therefore, working and communicating with other out of state CPAs is an essential part of my job.

I am concerned that we are the only State that has not yet adopted individual CPA mobility. Without CPA mobility, other States would require Hawaii CPAs to obtain reciprocal licenses in those states. This will result in unnecessary time and expense for Hawaii CPAs serving Hawaii clients doing business in other States.

It is also important to note that with the passing of CPA mobility, the Hawaii State Board of Public Accountancy would be granted the ability to discipline an out of state CPA for wrongdoing while practicing in Hawaii. Thus, CPA mobility gives the local consumer protection from unnecessary harm by out of state CPAs.

I humbly ask you to please support SB 2059. Thank you for your time and consideration to this matter.

Sincerely,



Rommel Marzan, Senate District No. 25

Tuesday, February 20, 2018  
9:00 a.m. – Conference Room 229

Testimony in Support of SB 2059  
Before the Commerce, Consumer Protection, and Health Committee

Dear Chair Rosalyn Baker and Committee:

I am a CPA working for one of the larger local firms (N&K CPAs, Inc.) in the state of Hawaii, I fully support, personally, Senate Bill 2059 as well as support the efforts of my firm and our Hawaii Society of CPAs who both favor CPA mobility.

You are all probably well aware by now, Hawaii is the only state that does not have CPA mobility. This does not make sense and needs to be changed! At various mainland conferences I attend it never fails for at least one of the featured speakers (including the president of the AICPA) to mention this to the bewilderment of everyone in attendance as to why Hawaii continues to be such a backward thinking state.

Modern technology makes it very easy to do work for our clients remotely whether locally from our offices and homes here in Hawaii or across the Pacific anywhere on the continental USA.

There are already consumers here with a mainland pipeline whether they moved here to live and still use their mainland based CPAs or if a previously local based CPA relocated to the mainland but still services their Hawaii clientele.

CPA mobility will allow for better protection to Hawaii consumers as any CPA practicing in Hawaii can then be regulated and sanctioned directly by the Hawaii Accountancy Board.

Thank you for receiving my testimony and I hope you will agree with the many CPAs, CPA firms and the HSCPA who support the passing of SB 2059.

Sincerely



Tad Tadani  
1773 A Palolo Avenue  
Honolulu, HI 96816



Before the Committee on Commerce, Consumer Protection, and Health  
February 20, 2018 at 9:00 a.m.  
Conference Room 220

In Support of *Senate Bill No. 2059*

Chair Baker, Vice Chair Tokuda, and Committee Members:

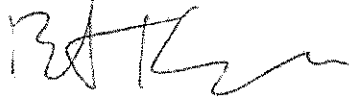
My name is Brent Kobayashi, CPA, and I support *Senate Bill No. 2059*, to regulate out-of-state CPAs practicing accountancy in Hawaii. I work in an accounting firm with offices and resources in multiple states, including here in Hawaii. I strongly support this bill because of the necessary changes it would make to help Hawaii law reflect the modern state of accounting and meet the needs of our increasingly global business environment.

The practice of accounting in Hawaii is no longer just limited to the confines of state borders. Like most companies today, I work with multiple CPAs in every states and countries to help service our local clients. Having the mobility would greatly assist in obtaining the need expertise that may not be readily available in Hawaii.

CPA mobility would allow Hawaii businesses and consumers to receive timely services from the CPA best suited to the job, regardless of location. It is important Hawaii not be left behind on a system that provides flexibility to its marketplace and that reinforces the idea that our state is business-friendly. It is to everyone's benefit that Hawaii's laws not limit businesses' access to professional services and not differ drastically from the laws of every other state.

I respectfully ask for your support of *Senate Bill No. 2059*.

Sincerely,



Brent Kobayashi

CPA License CPA-4845

Senate Committee on  
Commerce, Consumer Protection, and Health

Tuesday, February 20, 2018  
Conference Room 229 – 9:00 a.m.

## IN SUPPORT OF SB No. 2059

Chair Baker, Vice Chair Tokuda and Members of the Committee:

Thank you for the opportunity to testify in support of SB No. 2059.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **ONLY** state without mobility legislation.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

This bill will break down artificial barriers to interstate practice, while at the same time enhancing the regulatory system to ensure consumer protection. This legislation will allow a CPA with a valid state license to obtain temporary practice privileges in Hawaii. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Please support Senate Bill No. 2059! Thank you again for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Bobby Ngazue". The signature is fluid and cursive, with the first name "Bobby" written in a larger, more prominent script than the last name "Ngazue".

Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am  
Conference Room 229

Dear Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my support for CPA mobility, SB 2059.

Currently, Hawaii is the only state that does not have CPA mobility in the U.S. However, today's business reality requires a uniform system that allows regulation of services provided across state lines. In my practice, I have clients reside in many different states and we are providing the services via the internet. I am sure that is what other CPAs do as well. With the mobility in other states, I am free to practice in other states; however, I don't believe there are many out-of-state CPAs actually going through Hawaii's onerous application procedure to obtain the permit to practice in Hawaii. Without mobility, Hawaii regulators do not have jurisdiction over out-of-state CPAs if they violate state law and engage in unlicensed practice in Hawaii.

With the mobility, the Hawaii Board of Public Accountancy would gain automatic jurisdiction over all CPAs practicing in Hawaii, enabling the Board to discipline out-of-state CPAs. Automatic jurisdiction is of critical importance to the enhancement of the Board's public protection responsibility.

I urge you to pass SB 2059 to help Hawaii consumers to have access to the best qualified CPAs and provide the Board of Public Accountancy to have the mean to regulate the unlicensed CPAs.

Sincerely yours,



Sally Fujieki  
1080 Ala Napunani Street #317  
Honolulu, HI 96818

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 – 9:00 am

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

Thank you for the opportunity to testify in support of *Senate Bill No. 2059*. My name is Erin Takamine, CPA, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice should be eliminated. At the same time, with a diverse Hawaiian economy that often expands beyond our island, businesses increasing need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.

With a diverse Hawaiian economy, businesses increasing need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our ALL our state's businesses can better deliver their products and services around the state, country and world.

Currently, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. Hawaii is the only state that continues to put up lengthy applications and fees as an obstacle to businesses gaining the necessary services to succeed. Hawaii is running out of step with the rest of the country meaning we are also losing out when companies are making location decisions. Failure to provide the same operating environment as other states will have a real impact on jobs here.

This bill will eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill No. 2059*.

*Respectfully Submitted,*



Erin R. Takamine

District No. 4

Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am  
Conference Room 229

Dear Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my support for CPA mobility, SB 2059.

Currently, Hawaii is the only state that does not have CPA mobility in the U.S. However, today's business reality requires a uniform system that allows regulation of services provided across state lines and therefore, I have seen out-of-state CPAs practiced in Hawaii. Some went through the burdensome process to apply for a firm permit and have a licensed CPA attached to the firm, some just provide the service without registering. Without mobility, Hawaii regulators do not have jurisdiction over out-of-state CPAs if they violate state law and engage in unlicensed practice in Hawaii.

With the mobility, the Hawaii Board of Public Accountancy would gain automatic jurisdiction over all CPAs practicing in Hawaii, enabling the Board to discipline out-of-state CPAs. Automatic jurisdiction is of critical importance to the enhancement of the Board's public protection responsibility.

I urge you to pass SB 2059 to help Hawaii consumers to have access to the best qualified CPAs and provide the Board of Public Accountancy to have the mean to regulate the unlicensed CPAs.

Sincerely yours,



Naoko Tachida, CPA  
3814 Pukalani Place  
Honolulu, HI 96816

Senate Committee on Commerce, Consumer Protection & Health  
Tuesday, February 20, 2018 – 9:00 am  
Conference Room 229

**In Support of *Senate Bill No. 2059***

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Kimberly Miyoshi, CPA, and I support *Senate Bill No. 2059*, to regulate out-of-state CPAs practicing accountancy in Hawaii. I work in an accounting firm with offices and resources in multiple states. I strongly support this bill because of the important and necessary changes it would make to help Hawaii law reflect the modern state of accounting and the vital support it would bring to our increasingly global business environment.

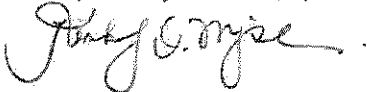
The practice of accounting in Hawaii is no longer just the local CPA providing services to the local store. As more businesses expand into multiple states through online operations as well as physical locations, it is increasingly vital to the efficiency of those companies that their CPAs also have the ability to cross state lines to provide high quality services. Sometimes the right CPA is from Nebraska and needs to get to Hawaii quickly. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our state's businesses - large and small - can better deliver their products and services around the state, country and around the world.

Currently, Hawaii businesses have reduced access to professional services, putting them at a competitive disadvantage with the West Coast, which already has mobility. In total, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. With the mobility initiative having now been in place as long as 20 years, Hawaii is running out of step with the rest of the country. Businesses making location decisions will consider their access to critical professional services; failure to provide the same operating environment as other states could have a real impact on jobs here.

Implementation of mobility would allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. It improves business operations for our consumers by limiting the need to hire a Hawaiian CPA as well as a mainland CPA. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill 2059*.

*Respectfully Submitted,*



Senate Committee on  
Commerce, Consumer Protection, and Health

February 20, 2018  
Conference Room 229 – 9:00 a.m.

**in support: Senate Bill 2059**

Chair Baker, Vice Chair Tokuda and Members of the Committee:

I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the only state without mobility legislation.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while strengthening state boards' ability to protect the public interest. Since 2007, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the only state without mobility legislation.

I humbly ask for your support of Senate Bill 2059.

Sincerely,

  
Jerrilyn Nadrasik

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018  
9:00 a.m.

Conference Room 229

**Testimony In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

Thank you for the opportunity to testify in support of *Senate Bill No. 2059*. My name is Kira Kaneshiro, CPA, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice should be eliminated. At the same time, with a diverse Hawaiian economy that often expands beyond our island, businesses increasing need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.


With a diverse Hawaiian economy, businesses increasing need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our ALL our state's businesses can better deliver their products and services around the state, country and world.

Currently, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. Hawaii is the only state that continues to put up lengthy applications and fees as an obstacle to businesses gaining the necessary services to succeed. Hawaii is running out of step with the rest of the country meaning we are also losing out when companies are making location decisions. Failure to provide the same operating environment as other states will have a real impact on jobs here.

This bill will eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you for your consideration in support of *Senate Bill No. 2059*.

*Respectfully Submitted,*





Before the Senate Committee on Commerce, Consumer Protection & Health

9:00 am – February 20, 2018

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

Thank you for the opportunity to testify in support of *Senate Bill No. 2059*. My name is Calvin Chandler, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice should be eliminated. At the same time, with a diverse Hawaiian economy that often expands beyond our island, businesses increasingly need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.

With a diverse Hawaiian economy, businesses increasingly need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved.

Reducing barriers means our **ALL** our state's businesses can better deliver their products and services around the state, country and world.

Currently, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. Hawaii is the only state that continues to put up lengthy applications and fees as an obstacle to businesses gaining the necessary services to succeed. Hawaii is running out of step with the rest of the country meaning we are also losing out when companies are making location decisions. Failure to provide the same operating environment as other states will have a real impact on jobs here.

This bill will eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill No. 2059*.

*Respectfully Submitted,*



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Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am

Honorable Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my strong support for CPA mobility, SB 2059.

Due to the advance in technology and commerce activities, many businesses operate across state lines either through physical presence or through internet. As a result, it is very important to have a uniform system that allows regulation of services provided across state lines as well. With the passing of mobility in other states, I am able to service my clients no matter where they go and subject to the jurisdiction of their state. However, as Hawaii is the only state is the only state that does not have CPA mobility, it is possible other states may take retaliatory action and therefore, reduce my opportunities outside the state of Hawaii.

Whether we want or not, out-of-state CPAs have entered Hawaii and provided services to their clients. They may go through the current required procedures to register or they may not. Without mobility, Hawaii regulators do not have jurisdiction over out-of-state CPAs if they violate state law and engage in unlicensed practice in Hawaii. With the mobility, the Hawaii Board of Public Accountancy would gain automatic jurisdiction over all CPAs practicing in Hawaii, enabling the Board to discipline out-of-state CPAs. As a result, I believe it is time for Hawaii to pass the CPA mobility law.

Thank you for your consideration in support SB 2059.

Sincerely yours,



Ryosuke Tsuji  
6710 Hawaii Kai Drive #814  
Honolulu, HI 96825

Senate Committee on Commerce, Consumer Protection & Health

Hearing Date: 9:00 am  
Hearing Time: 2/20/2018

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

Thank you for the opportunity to testify in support of *Senate Bill No. 2059*. My name is Sean Watanabe, CPA, and I support the legislation to regulate out-of-state CPAs practicing accountancy in Hawaii. In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice should be eliminated. At the same time, with a diverse Hawaiian economy that often expands beyond our island, businesses increasing need specialized expertise from outside providers. This legislation will help address both challenges, and for those reasons I strongly support this bill becoming law.

With a diverse Hawaiian economy, businesses increasing need specialized expertise from outside providers. Like most small states, the specialized expertise is not always readily available within our borders. As our law currently works, our business can suffer when the CPA needed is not licensed in Hawaii and cannot gain that license in the required timeframe. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our ALL our state's businesses can better deliver their products and services around the state, country and world.

Currently, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. Hawaii is the only state that continues to put up lengthy applications and fees as an obstacle to businesses gaining the necessary services to succeed. Hawaii is running out of step with the rest of the country meaning we are also losing out when companies are making location decisions. Failure to provide the same operating environment as other states will have a real impact on jobs here.

This bill will eliminate the artificial barriers to interstate practice. It will allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Thank you in advance for your consideration of *Senate Bill No. 2059*.

*Respectfully Submitted,*

  
Sean Watanabe

District No. 12

*Testimony to the*  
Senate Committee on Commerce, Consumer Protection & Health

Hearing Date: February 20, 2018  
Hearing Time: 9:00 AM

Conference Room 229

**In Support of Senate Bill No. 2059**

**Chair Baker, Vice Chair Tokuda, and Committee Members:**

My name is Jasmine Chen, CPA, and I support *Senate Bill No. 2059*, to regulate out-of-state CPAs practicing accountancy in Hawaii. I work in an accounting firm with offices and resources in multiple states. I strongly support this bill because of the important and necessary changes it would make to help Hawaii law reflect the modern state of accounting and the vital support it would bring to our increasingly global business environment.

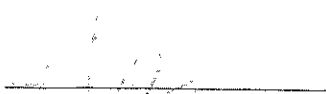
The practice of accounting in Hawaii is no longer just the local CPA providing services to the local store. As more businesses expand into multiple states through online operations as well as physical locations, it is increasingly vital to the efficiency of those companies that their CPAs also have the ability to cross state lines to provide high quality services. Sometimes the right CPA is from Nebraska and needs to get to Hawaii quickly. Mobility allows Hawaii businesses to get the service they need, when they need it without waiting for forms to be submitted and approved. Reducing barriers means our state's businesses - large and small - can better deliver their products and services around the state, country and around the world.

Currently, Hawaii businesses have reduced access to professional services, putting them at a competitive disadvantage with the West Coast, which already has mobility. In total, 49 states, the District of Columbia, Guam and the U.S. Virgin Islands have adopted mobility without significant opposition or problem. With the mobility initiative having now been in place as long as 20 years, Hawaii is running out of step with the rest of the country. Businesses making location decisions will consider their access to critical professional services; failure to provide the same operating environment as other states could have a real impact on jobs here.

Implementation of mobility would allow Hawaii businesses and individual consumers to receive timely services from the CPA best suited to the job, regardless of location. It improves business operations for our consumers by limiting the need to hire a Hawaiian CPA as well as a mainland CPA. Adoption of mobility reinforces the idea that Hawaii is business-friendly by demonstrating to current and prospective companies that Hawaii's laws will not limit their access to professional services and will not differ drastically from the laws of every other state.

Please support *Senate Bill 2059*.

*Respectfully Submitted,*

  
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Testimony in Support of SB 2059  
Before Commerce, Consumer Protection, and Health  
Tuesday, February 20, 2018, 9:00am  
Conference Room 229

Dear Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my strong support for CPA mobility, SB 2059.

Currently, Hawaii is the only state that does not have CPA mobility in the U.S. However, today's business reality requires a uniform system that allows regulation of services provided across state lines. Before moving back to Hawaii, I practiced as a CPA in California which passed mobility law in September 2012 (the 49<sup>th</sup> state passed the mobility law). The law is to provide cross-border privileges for CPAs under a "no notice, no fee, no escape" regulatory regime. After the passing of the law, I did not feel any different in my firm's practice – more specifically, we did not lose any clients because of the mobility law. When I returned to Hawaii, I am surprised that Hawaii does not have CPA mobility yet. I believe it is time for Hawaii to catch up with the rest of country to update state licensing laws to permit cross-border mobility for CPAs. Further, the passing of the mobility will benefit CPAs licensed in Hawaii because it eliminates the possibility of retaliatory action by other states that could reduce opportunities outside the state for Hawaii CPAs.

Thank you for your consideration in support SB 2059.

Sincerely yours,



Kyle Kabei  
1565 Ala Napunani Street  
Honolulu, HI 96818

To The  
Senate Committee on Commerce, Consumer Protection, and Health

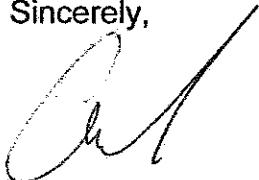
February 20, 2018 – 9:00 a.m.

Conference Room 229  
**IN SUPPORT OF SB 2059**

The Honorable Roslyn Baker and Committee Members:

I am truly perplexed as to why Hawaii is the only U.S. jurisdiction without CPA mobility. Opponents of mobility say that it will take away jobs from our local CPAs. However, what they fail to mention is the positive impact that adopting mobility will have on Hawaii businesses. Currently, out-of-state CPAs can work in Hawaii through a variety of ways. However, the Hawaii Board of Public Accountancy has no authority to discipline these individuals if something goes wrong. This opens up consumers to harm by out-of-state accountants as the Board has no jurisdiction over them. Meanwhile, unqualified individuals going unpunished hurts the reputation of our qualified local CPAs. Please help protect those at risk by passing SB 2059.

Sincerely,

A handwritten signature in black ink, appearing to read 'Andrew Ho', written in a cursive style.

Andrew Ho – Senate District 10

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018

9:00 a.m.

Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Sean Nakamura, CPA and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

We need to strengthen the Hawaii board of accountancy's ability to protect the public interest.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Sean M. Nakamura  
1240 Kaeleku St.  
Honolulu, HI 96825

Jan Hashizume  
2110 Kaneka Street, #105  
Lihue, HI 96766

Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018  
9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

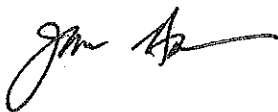
Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Jan Hashizume, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,



Jan Hashizume

House District 15 – Representative James Tokioka  
Senate District 8 – Senator Ronald Kouchi



Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

**In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Trisha Nomura, CPA (not in public practice), and I support SB 2059. I am currently the Chief People Officer at ProService Hawaii.

As a CPA in the private sector in Hawaii, I know firsthand that there are not enough qualified CPAs in Hawaii to accommodate all the requests for CPA services. When there is a specialized need such as the healthcare, airline, manufacturing or banking industries, we need to allow qualified CPAs to do work in Hawaii without subjecting them to excessive burdens. Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

SB 2059 provides Hawaii consumers greater access to more qualified CPAs and strengthens the ability of the Board of Public Accountancy to protect public interests. I urge you to pass SB 2059 or HB 1870.

Sincerely,



Trisha Nomura, CPA  
47-710 Hui Ulili Street  
Kaneohe, HI 96744

House District 48 – Representative Jarrett Keohokalole  
Senate District 24 – Senator Jill Tokuda

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018

9:00 a.m.

Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Frank L. Robar, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.


In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both.

Mobility legislation has already been passed in 49 states – Hawaii is the only state without mobility legislation. Passage of this legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in Hawaii. This means that by practicing in Hawaii, a CPA would **automatically** consent to the jurisdiction of the Hawaii Board of Public Accountancy.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,



Frank L. Robar, CPA  
Waipahu, Hawaii

Before the Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## **Senate Bill 2059 – In Support**

Chair Baker, Vice Chair Tokuda, and Committee Members:

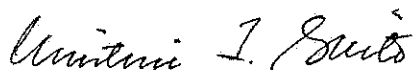
My name is Christine T. Saito, CPA and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. I work for a local CPA firm preparing tax returns for individuals and various business entities.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in Hawaii. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii Board of Public Accountancy.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation would do both. Mobility legislation has already been passed in 49 states – Hawaii is the ONLY state without mobility legislation.

Adoption of this legislation will create a system similar to the nation's driver license system which will provide CPAs with the ability to work in different states while strengthening state boards' ability to protect the public interest.

Respectfully submitted,



Christine T. Saito  
2020 Wilder Avenue  
Honolulu, HI 96822

House District 23 – Representative Isaac Choy  
Senate District 11 – Brian Taniguchi

Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## In Support of Senate Bill 2059

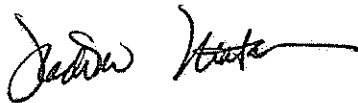
Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Nadine Uratsuka and I support Senate Bill 2059.

Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

SB 2059 provides Hawaii consumers greater access to more qualified CPAs and strengthens the ability of the Board of Public Accountancy to protect public interests. I urge you to pass SB 2059.

Sincerely,

A handwritten signature in black ink, appearing to read "Nadine Uratsuka", with a long horizontal flourish extending to the right.

Nadine Uratsuka  
94-1037 Leihaku Street  
Honolulu, HI 96797

Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Manoj Samaranayake, CPA and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

I humbly ask for your support of SB 2059.

Sincerely,



Manoj Samaranayake  
94-1119 Kapukawai Street  
Waipahu, HI 96797

Before the Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 - 9:00 a.m.  
Conference Room 229

## Senate Bill 2059 - In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Luz O. Peirson, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

I humbly ask for your support of SB 2059.

Respectfully submitted,

*Luz O. Peirson*

House District 37 - Representative Ryan Yamane  
Senate District 18 - Senator Michelle Kidani

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Dean Ueda, CPA and I support SB 2059. I am writing to express my support for CPA mobility. I am a CPA (not in public practice) in Hawaii and a realtor. I am aware that there are not enough qualified CPAs in Hawaii to accommodate all the requests for CPA services. When there is a need such as real estate (a new industry for me), we need to allow qualified CPAs to do work in Hawaii without subjecting them to excessive burdens. Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

SB 2059 provides Hawaii consumers greater access to more qualified CPAs and strengthens the ability of the Board of Public Accountancy to protect public interests. I urge you to pass SB 2059.

Sincerely,

A handwritten signature in black ink that reads "Dean Ueda". The signature is written in a cursive, flowing style.

*Dean Ueda*

Before the Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and I am writing to request your support for SB 2059.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Please support SB 2059. Thank you for the opportunity to testify.

Respectfully submitted,

Nick Chu, CPA

House District 25 – Representative Sylvia Luke  
Senator District 11 – Senator Brian Taniguchi



Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## **Senate Bill 2059 – In Support**

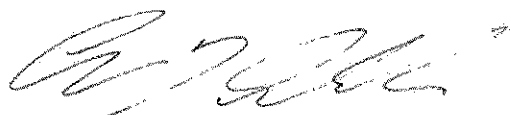
Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Christopher Y. Ichiki and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Hawaii should adopt CPA mobility which will give Hawaii businesses access to the best and brightest CPAs wherever they live. Mobility laws allow Hawaii CPAs to work in other states. It's time Hawaii catches up to the rest of the country by passing mobility for CPAs here. Thank you in advance for your consideration of SB 2059.

Sincerely,



Christopher Y. Ichiki  
2781 Kapiolani Blvd., #202  
Honolulu, HI 96826

Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Jamie Asato, CPA and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

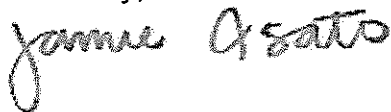
In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states – Hawaii is the **only** state without mobility legislation.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Thank you in advance for your consideration of SB 2059.

Sincerely,



Jamie Asato  
350 Kekupua Street  
Honolulu, HI 96825

Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Lauren Komori, CPA and I support Senate Bill 2059, a measure that will establish procedures to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states - Hawaii is the **only** state without mobility legislation.

Having passed a national exam, CPAs across the country are able to work on a limited basis in any state except Hawaii. This means that businesses seeking the best CPA for their job have access to thousands of qualified CPAs country-wide. In Hawaii, if a business wants to use an out-of-state CPA, that CPA must apply for a temporary permit, apply for a firm permit and have a licensed CPA or PA attached to the firm. This burdensome process is a waste of time and money. What is so different about the needs of businesses in Hawaii that we feel the need to put CPAs who do not live in Hawaii through such a hassle? Instead, like every other state in the country and many U.S. territories, Hawaii should adopt CPA mobility which will give Hawaii businesses access to the best and brightest CPAs wherever they live. Mobility laws allow Hawaii CPAs to work in other states. It's time Hawaii catches up to the rest of the country by passing mobility for CPAs here.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Sincerely,



Lauren Komori  
852 20th Avenue  
Honolulu, HI 96816

February 20, 2018  
9:00 a.m.  
Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Gary Kuba, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

I support this bill because there are times that specific and/or highly specialized services from out-of-state practitioners are needed on very short notice, most often in the midst of a major transaction. In some cases, the firm best able to perform the services cannot do so because, while licensed elsewhere, they are not licensed in Hawaii and obtaining a temporary license is not possible in the required timeframe. There are also situations where certain specialized services are not widely available in Hawaii and the few local firms that do that kind of work cannot accommodate the job due to work load.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual for businesses to have offices in multiple states, requiring multiple state tax returns. Many states used to require lengthy applications and fees which became an unnecessary barrier to serving our clients. Every other state in the country has eliminated these barriers. This legislation is designed to allow a CPA with a valid state license to obtain temporary practice privileges in Hawaii.

This bill will eliminate the artificial barriers to interstate practice, while at the same time maintaining the regulatory system that ensures adequate protection of the public. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Please support SB 2059. Thank you for the opportunity to testify.

Respectfully submitted,



Gary M. Kuba, CPA

House District 23 – Representative Isaac Choy  
Senate District 11 – Senator Brian Taniguchi

KENT K. TSUKAMOTO, CPA  
1033 Maunalanani Street  
Honolulu, Hawaii 96825

Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Kent K. Tsukamoto and I have been a practicing Hawaii CPA since 1978. I am a past chairman of the State of Hawaii Board of Public Accountancy and am currently the managing partner of Accuity LLP, a locally based, locally owned CPA firm. I strongly support this bill.

We serve Hawaii based clients who have operations in multiple states and who have compliance responsibilities that span multiple jurisdictions. These Hawaii businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

As a former member of the Board of Accountancy, I firmly believe that mobility legislation will strengthen and serve the public interest as it will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii. This will enable the Board to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

Thank you for the opportunity to express my support for Senate Bill 2059.

Mahalo nui loa,



Kent K. Tsukamoto, CPA

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Joan E. Fujita, CPA and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Thank you in advance for your consideration of SB 2059.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joan E. Fujita', with a long horizontal flourish extending to the right.

Joan E. Fujita  
520 Lunalilo Home Road Unit 342  
Honolulu, Hawaii 96825

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

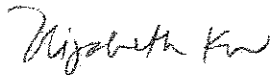
My name is Elizabeth PY Koo (CPA license # 3313) and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. I am currently working at a small local firm as the tax director providing clients with accounting and tax services.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states – Hawaii is the only state without mobility legislation.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Sincerely,



Elizabeth Koo, CPA  
1288 Kapiolani Blvd.  
Honolulu, HI 96814

House District 26 – Representative Scott Saiki  
Senate District 12 – Senator Brickwood Galuteria

Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

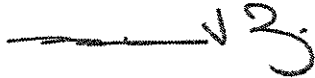
My name is Masako S. Ruiz and I support SB 2059 to establish procedures to regulate out-of-state CPAs practicing accountancy in Hawaii.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 2007, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

Thank you in advance for your consideration of SB 2059.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Ruiz', written over a horizontal line.

Masako S Ruiz  
91-6550 Kapolei Parkway #3F4  
Ewa Beach, HI 96706



Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of SB 2059. My name is Michelle Kaneshiro. I am testifying as a consumer of CPA services. Similar to legal or other technical industries, CPA services sometime need the advice of experts from outside of Hawaii. It is only reasonable to give CPAs the mobility to practice in various states so that customers like myself can get the best advice. When possible I always contact local service providers, but sometimes the expertise I need is just not in Hawaii due to our lack of volume in certain types of transactions.

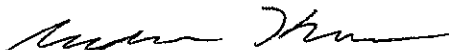
I support this bill because there are times that specific and/or highly specialized services from out-of-state practitioners are needed on very short notice, most often in the midst of a major transaction. In some cases, the firm best able to perform the services cannot do so because, while licensed elsewhere, they are not licensed in Hawaii and obtaining a temporary license is not possible in the required timeframe. There are also situations where certain specialized services are not widely available in Hawaii and the few local firms that do that kind of work cannot accommodate the job due to work load.

Our business has experienced challenges with the reciprocity requirements when obtaining services for specialized valuations, complex mergers & acquisitions, complex real-estate transactions, and understanding certain complex federal tax and mainland state tax rules. Often, the need for these services is immediate, but the temporary licensure requirements in Hawaii make doing business here more difficult than doing business in mainland jurisdictions. Passage of this legislation would improve the system and help businesses like ours.

This bill will eliminate the artificial barriers to interstate practice, while at the same time maintaining the regulatory system that ensures adequate protection of the public. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

I humbly ask for your support of SB 2059.

Sincerely,



Michelle Kaneshiro

Controller  
MW Group, Ltd



**VERITY**  
Certified Public Accountants

Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of Senate Bill No. 2059. My name is Dustin Verity and I am a small Certified Public Accountant ("CPA") firm owner. I am writing in favor of this bill to regulate out-of-State CPAs practicing in the State of Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected.

This legislation would address the need for CPAs to practice across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving our clients. Mobility legislation has already passed in 49 U.S. States – Hawaii is the only state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline any CPA practicing in Hawaii, regardless of where they are licensed to practice.

I humbly ask for your support of Senate Bill No. 2059.

Respectfully submitted,

Dustin T. Verity, CPA  
Managing Principal

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## **Senate Bill 2059 – In Support**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Jessica Takahashi, CPA, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the only state without mobility legislation.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while strengthening state boards' ability to protect the public interest. Since the 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the only state without mobility legislation.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Jessica Takahashi  
60 North Beretania Street #2006  
Honolulu, HI 96817

Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Dennis M. Tsuhako, CPA and I support Senate Bill 2059.

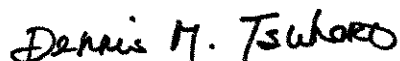
In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Dennis M. Tsuhako  
627 Kahiau Loop  
Honolulu, HI 96821

February 20, 2018 at 9:00 a.m.

Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

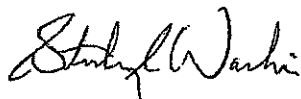
My name is Stanley Wachi, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. I am an owner of a CPA firm practicing in the areas of audit, taxation and business consulting.

There are certain industries that require specialized accounting expertise that is in very limited supply in Hawaii. Limiting access to CPAs with this specialized expertise hampers local businesses.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees which were a barrier to serving clients efficiently. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Help consumers of accounting services in Hawaii have access to the best qualified CPA to do the work wherever they reside by passing SB 2059. Thank you for the opportunity to testify.

Respectfully submitted,



Stanley Wachi  
98-1685 Piki Street  
Aiea, HI 96701

Before the Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Talon Kishi, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. With so many opportunities for employment as a CPA across the nation, mobility is a necessity for any CPA in order to minimize time and cost requirements.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Sincerely,



Talon Kishi  
98-487 Koauka Loop B1704  
Aiea, HI 96701

Senate Committee on  
Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

Conference Room 229 – 9:00 am

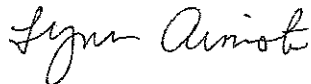
**IN SUPPORT OF SB 2059**

Chair Baker, Vice Chair Tokuda and Committee members:

I am writing to express my support for CPA mobility, SB 2059. My name is Lynn Aimoto and I am a CPA in Hawaii. Mobility would allow qualified CPAs on the mainland to do work in Hawaii without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs. SB 2059 makes sense for consumers of accounting services in Hawaii.

Your support of SB 2059 is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Lynn Aimoto".

Lynn Aimoto, Senate District No. 12

Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018  
9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of SB 2059. My name is Christine Y. Ajirogi.

This bill will break down artificial barriers to interstate practice, while at the same time enhancing the regulatory system to ensure consumer protection. This legislation will allow a CPA with a valid state license to obtain temporary practice privileges in Hawaii. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Please support SB 2059. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "Christine Y. Ajirogi". The signature is written in a cursive, flowing style.

Christine Y. Ajirogi  
91-1826 Wai'aama Street  
Ewa Beach, HI 96706



Senate Committee on Commerce, Consumer Protection & Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## **In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Michael T. Chinaka CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. As a consumer doing business in Hawaii and the Chief Financial Officer of the YMCA of Honolulu, having the ability to retain an out-of-state CPA, which has a significant understanding of our business model due to their serving other YMCAs, could certainly enhance our options.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual for businesses to have offices in multiple states, requiring multiple state tax returns. Many states used to require lengthy applications and fees which became an unnecessary barrier to serving our clients. Every other state in the country has eliminated these barriers. This legislation is designed to allow a CPA with a valid state license to obtain temporary practice privileges in Hawaii.

This bill will eliminate the artificial barriers to interstate practice, while at the same time maintaining the regulatory system that ensures adequate protection of the public. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Thank you in advance for your consideration of SB 2059.

Respectfully submitted,

Michael T. Chinaka, CPA

Before the Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

State Capitol

415 South Beretania Street

## Senate Bill 2059 – In Support

Chair Baker, Vice Chair Tokuda, and Committee Members:

Thank you for the opportunity to testify in support of Senate Bill 2059. My name is Valerie K. Kono.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This legislation is necessary due to the increasing frequency of CPAs practicing across state lines on a temporary basis. It is not unusual to have clients with offices in multiple states requiring multiple tax returns. Many states used to require lengthy applications and fees, which were a barrier to serving clients. Every other state in the country has eliminated these requirements. This bill also ensures that the Hawaii State Board of Public Accountancy would have the ability to discipline a CPA from another state, if necessary.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Valerie K. Kono  
1620 Waialele Street  
Honolulu, HI 96819

Senate Committee on Commerce, Consumer Protection and Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Denny Nakayama and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Denny Nakayama  
2821A Manoa Road  
Honolulu, HI 96822

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## **In Support of Senate Bill 2059**

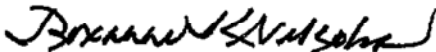
Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Roxanne K. Nekoba, CPA, and I support SB 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 states – Hawaii is the **only** state without mobility legislation.

Please support SB 2059. Thank you for the opportunity to testify.

Respectfully submitted,



Roxanne K. Nekoba  
653 Kealahou Street  
Honolulu, Hawaii 96825

House District 17 – Representative Gene Ward  
Senator District 9 – Senator Stanley Chang

Senate Committee on Commerce, Consumer Protection & Health

February 20, 2018 at 9:00 a.m.  
Conference Room 229

## In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Trudy Lynn Pajinag, CPA and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii State Board of Accountancy.

This bill will break down artificial barriers to interstate practice, while at the same time enhancing the regulatory system to ensure consumer protection. This legislation will allow a CPA with a valid state license to obtain temporary practice privileges in Hawaii. Consumers and businesses in Hawaii should be able to receive timely services from the CPA best suited to the job, regardless of location, and without the hindrances of unnecessary forms, fees, and filings.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J Pajinag', written in a cursive style.

Trudy Lynn Pajinag  
98-099 Uao Place #709  
Aiea, HI 96701

Before the Committee on Commerce, Consumer Protection, and Health  
February 20, 2018  
9:00 AM  
Conference Room 229

**Testimony in Support of SB 2059**

Dear Chair Baker and committee members:

I am writing to express my support for CPA mobility, SB 2059. I am a CPA in Hawaii and know that there are not enough qualified CPAs in Hawaii to accommodate all the requests for CPA services. When there is such a need our state laws should allow qualified CPAs to do work in Hawaii without subjecting them to excessive registration burdens. Mobility would allow a CPA on the mainland, who has the necessary education, experience and who has passed the national exam, to do work in Hawaii on a limited basis without having to get a Hawaii license. Mobility also enhances the power of the Hawaii Board of Public Accountancy by giving them jurisdiction over all CPAs doing business in Hawaii, including the ability to discipline out-of-state CPAs.

Moreover, since all states except Hawaii have adopted CPA Mobility legislation, by refusing to adopt such legislation, our state is conspicuously refusing to grant reciprocal privileges to CPAs in other states, which makes Hawaii CPAs vulnerable to retaliation by these other states. Please keep in mind that many Hawaii CPAs have clients in other states and enjoy privileges of Mobility in those states.

SB 2059 provides Hawaii consumers greater access to more qualified CPAs and strengthens the ability of the Board of Public Accountancy to protect public interests. I urge you to pass SB 2059.

A handwritten signature in blue ink, reading "Robert Hatanaka", written over a horizontal line.

Robert K. Hatanaka, CPA  
700 Bishop Street, Suite 1040  
Honolulu, Hawaii 96813  
808-531-1040

Before the Senate Committee on Commerce, Consumer Protection, and Health

February 20, 2018  
9:00 a.m. in Conference Room 229

## **Senate Bill 2059 – In Support**

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and I am writing to request your support for Senate Bill 2059.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 1960's, every state except Hawaii has enacted a uniform mobility provision. Hawaii remains the **only** state without mobility legislation.

Thank you in advance for your consideration of Senate Bill 2059.

Sincerely,



Karen Silverstein  
710 Kalanipuu Street  
Honolulu, HI 96825

17 – Representative Gene Ward  
9 – Senator Stanley Chang

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## Testimony In Support of Senate Bill 2059

Chair Baker, Vice Chair Tokuda, and Committee Members:

I am a CPA and I am writing to request your support for SB 2059. **I have a small CPA practice and am often requested to file tax returns in other states for people who recently moved to Hawaii, or for residents who move to the mainland and want to maintain Hawaii connections for when they return to Hawaii.**

There is a belief being proposed by some that by allowing CPAs from outside of Hawaii easier entrance to Hawaii to serve local clients that they will take business away from local CPAs. Those who perpetuate that opposition are basically saying that local CPAs are not as qualified as mainland-based CPAs so we must protect them by not allowing other CPAs to come here.

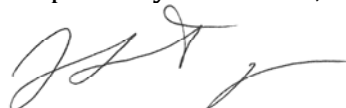
I find that insulting personally. As a CPA my duty is to provide the best service I can to my clients and if that is beyond my skill set it is my obligation to find someone who can. Local clients prefer to work with local CPAs, we don't need protection from mainland CPAs. CPAs by their very nature and professional requirements are among the most ethical of all professions and those who are concerned that mainland CPAs will not pay their share of General Excise Tax are basically calling those CPAs lawbreakers which is far from the truth.

Adoption of mobility legislation will create a system similar to the nation's driver license system, which will provide CPAs with the ability to work in different states, while **strengthening** state boards' ability to protect the public interest. Since 2007, every state except Hawaii has enacted a uniform mobility provision. **Hawaii remains the only state without mobility legislation which quite frankly is an embarrassment in the professional community and contributes to the national belief that Hawaii is a terrible state to do business in.**

**If Hawaii does not approve the mobility standards that have been approved by ALL other states, my practice will be and has been limited in that I will not be able to properly serve my clients who need tax return assistance in other states when those states refuse to allow me to operate in their jurisdiction.** That will force taxpayers to seek out less professional solutions to their needs and affect my business income and therefore the taxes the State of Hawaii will collect from my company.

I humbly ask for your support of SB 2059.

Respectfully submitted,



James M. Smith, Jr., CPA



Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## **Testimony of Laura Wiley, CPA Testimony In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Laura Wiley, CPA, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. It is mind boggling to me that Hawaii has yet to pass this legislation while the rest of the country has done so long ago.

The world of accounting and taxation is overly complex and burdensome and our clients pay the price for these regulations. Approximately 1/3 of my clients are required to file state income tax returns in states other than Hawaii. Mobility allows me to prepare those out of state income tax returns, as opposed to my clients having to hire two different CPAs to comply with their filing obligations.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii Board of Public Accountancy.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Respectfully submitted,

Handwritten signature of Laura Wiley, CPA, in cursive script.

Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018

9:00 a.m.

Conference Room 229

## **Testimony of Laura Wiley, CPA Testimony In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Laura Wiley, CPA, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii. It is mind boggling to me that Hawaii has yet to pass this legislation while the rest of the country has done so long ago.

The world of accounting and taxation is overly complex and burdensome and our clients pay the price for these regulations. Approximately 1/3 of my clients are required to file state income tax returns in states other than Hawaii. Mobility allows me to prepare those out of state income tax returns, as opposed to my clients having to hire two different CPAs to comply with their filing obligations.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected. This legislation will do both. Mobility legislation has already been passed in 49 U.S. states – Hawaii is the **only** state without mobility legislation.

Passage of mobility legislation will give clear authority to the Hawaii Board of Public Accountancy to regulate and discipline all CPAs practicing in Hawaii, enabling them to discipline out-of-state licensees, whether they are registered or licensed in the state. This means that by practicing in Hawaii, a CPA would automatically consent to the jurisdiction of the Hawaii Board of Public Accountancy.

Many CPAs serve business clients who have operations in multiple states and compliance responsibilities that span multiple jurisdictions. These businesses need their Hawaii CPA to be able to practice in other states. Practice mobility is the ability of a CPA to gain temporary practice privilege outside of his home state without getting an additional license in another state in order to serve a client.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Respectfully submitted,

Handwritten signature of Laura Wiley, CPA, in cursive script.

TESTIMONY BEFORE THE  
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION &  
HEALTH

February 20, 2018

Conference Room 229, 9:00 AM

**IN SUPPORT OF SB 2059**

Dear Chair Baker and Committee:

I am currently working in the public accounting profession in the state of Hawaii and I support CPA mobility, SB2059. For all other CPAs around the mainland, they are able to work in every state other than Hawaii. I am very concerned that our State, unlike all the other States and U.S. territories, has not yet adopted individual CPA mobility. Currently, a temporary or firm permit is required in order for the mainland CPA to work in Hawaii, which could be streamlined with mobility laws. Vice versa, mobility laws would allow me and other Hawaii CPAs to also work in other states. I also think one of the most important aspects of SB 2059 is that it allows for the Hawaii Board of Public Accountancy jurisdiction over all CPAs working in Hawaii, including mainland CPAs. This measure would provide greater oversight over all CPAs, which can only serve to better the overall profession in the islands. Please consider passing SB 2059 to benefit the state of Hawaii.

Please support SB 2059. Thank you for the opportunity to testify

Sincerely,

A handwritten signature in black ink, appearing to read 'Hok Keung Hui', with a long horizontal flourish extending to the right.

Hok Keung Hui – Senate District 13

SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION &  
HEALTH

Tuesday, February 20, 2018

9:00 am in Conference Room 229

**IN SUPPORT OF SB 2059**

Dear Chair Baker and Committee:

I am puzzled as to why there has been so much resistance to streamlining the process of allowing out-of-state CPAs to do work in Hawaii. Rather than continue the onerous permitting process, Hawaii could be better served by enhancing the power of the Hawaii Board of Public Accountancy to discipline misbehaving CPAs. CPAs who reside elsewhere already work in Hawaii either in person, over the phone lines or via the Internet yet our Board currently has no jurisdiction over them. Passing SB 2059 would give the power to the Board to protect consumers of CPA services even when they use an out-of-state accountant. I hope this committee will recognize that we live in a time of global commerce and that what is important to Hawaii businesses is gaining access to qualified CPAs wherever they reside and the assurance that proper authority is put in place to protect consumers from harm. I humbly ask for your support of SB 2059. Thank you.



Lai leng Yee – Senate District 11

COMMITTEE ON COMMERCE, CONSUMER PROTECTION & HEALTH

Tuesday, February 20, 2018

Conference Room 229, 9:00 a.m.

**IN SUPPORT OF SB 2059**

Chair Baker, Vice Chair Tokuda and Committee:

I am a CPA working for a local CPA firm in Honolulu. Our firm has a number of tax clients that have businesses in Hawaii and in other states. I am concerned that Hawaii is the only U.S. jurisdiction that has not adopted CPA mobility.

Without CPA mobility, the Hawaii Board of Public Accountancy does not have jurisdiction over out-of-state CPAs if they violate Hawaii state law and engage in unlicensed practice in Hawaii. With CPA mobility, the Hawaii Board of Public Accountancy would have automatic jurisdiction over **all** CPAs practicing in Hawaii which would enable the Board to also discipline out-of-state CPAs. Automatic jurisdiction is important to ensure that Hawaii consumers are protected from any wrongdoing by any CPA practicing in Hawaii.

As Hawaii currently is the only U.S. jurisdiction that has not adopted CPA mobility, other States that currently grant CPA practice privileges to Hawaii CPAs could choose to add quid-pro-quo provisions to their statutes. This would require Hawaii CPAs to obtain reciprocal licenses to practice in those states which would add unnecessary time and costs to Hawaii CPAs in order to practice in those states.

Please support SB 2059. Thank you for your consideration of this bill.



Lauren K.C.L. Lui, Senate District 14

Duane Watanabe, CPA  
1288 Kapiolani Blvd.  
Honolulu, HI 96814

Senate Committee on Commerce, Consumer Protection and Health

Tuesday, February 20, 2018  
9:00 a.m.  
Conference Room 229

## **Testimony In Support of Senate Bill 2059**

Chair Baker, Vice Chair Tokuda, and Committee Members:

My name is Duane Watanabe, CPA, and I support Senate Bill 2059 to regulate out-of-state CPAs practicing accountancy in Hawaii.

In order for CPAs to offer fast and efficient service to clients nationwide, barriers to interstate practice for CPAs should be eliminated. At the same time, we need to ensure that the public is adequately protected.

This legislation will do both. Mobility legislation has already been passed in 49 states – Hawaii is the ONLY state without mobility legislation.

Please support Senate Bill 2059. Thank you for the opportunity to testify.

Sincerely,



Duane Watanabe, CPA

House District 26 – Representative Scott Saiki  
Senate District 12 – Senator Brickwood Galuteria

**SB-2059**

Submitted on: 2/19/2018 1:49:43 PM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randy Cabanilla	Individual	Oppose	No

Comments:

Testimony of Shirley J Daniel, Ph.D., CPA

In Support of SB 2059 or HB 1870

Before the Committee on Commerce, Consumer Protection, and Health

Senator Rosalyn H. Baker, Chair

Senator Jill N. Tokuda, Vice Chair

Tuesday, February 20, 2018, 9 a.m. Conference Room 229

Hawaii State Capitol, 415 South Beretania Street

Dear Chair Rosalyn Baker and committee members:

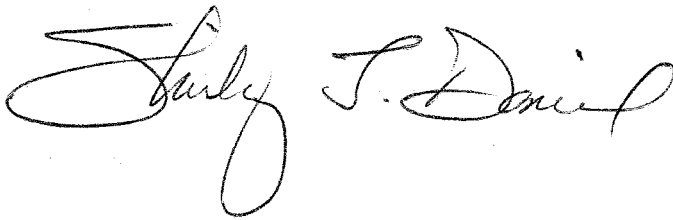
I am writing in support of SB 2059. The passage of this bill would serve the public by providing a higher level of quality control and monitoring by the Hawaii State Board of Public Accountancy for out of state accountants working in Hawaii. Second, a well-defined and monitored mobility would serve the public by offering greater access to certain specialists that are limited in Hawaii. As you know in the healthcare field there is a shortage of doctors and specialists on the neighbor islands. Similarly, in the financial services and accounting field, there are shortages of expertise on the neighbor islands. Passing this mobility bill would allow experts to work with Hawaii clients and CPA firms, and thereby could help relieve these shortages while maintaining high quality standards and protections for the public.

Currently, Hawaii is out of step with all other states in the U.S. Hawaii. If we do not pass mobility to provide a system for CPAs from out of state to work in Hawaii, then our Hawaii CPAs will not have reciprocity to service clients in other states. Those who oppose this bill, arguing that we should prevent competition in our small market of only 1 million population, are foregoing the opportunity for our CPAs to do business in the much larger market of the U.S. mainland with a population of over 300 million.

A lack of mobility/reciprocity also limits the ability of our local firms, students and younger CPAs to get unique experience working with industry specialists from the mainland. This prevents our own CPAs from developing new industry expertise that could lead to new service and product lines which could help diversify and grow Hawaii's economy.

I urge you to support the passage of SB 2059. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Shirley J. Daniel". The signature is written in black ink and is positioned below the word "Sincerely,".

Shirley J Daniel, Ph.D., CPA



**SB-2059**

Submitted on: 2/19/2018 9:20:34 PM

Testimony for CPH on 2/20/2018 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Scott Hayashi	Individual	Support	No

Comments:

Dear Chair Baker and Committee:

I am writing today to express support for CPA Mobility in SB2059. I am a practicing public accountant for CW Associates CPAs where we have multiple clients that have business operations in California. Currently I am able to perform my duties on these engagements as the State of California has mobility laws that allow me to perform work in California as an out-of-state licensed CPA. However, I have heard that California has considered changing their mobility laws to exclude states that do not have their own mobility laws. Hawaii is the only state that fits that description. I am also concerned that those clients may someday expand into states that already bar CPAs from states without mobility laws. As noted above, Hawaii is the only state like that.

Terence Mott, CPA

**SB-2059**

Submitted on: 2/19/2018 9:22:00 PM

Testimony for CPH on 2/20/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dori Kaneshiro	Individual	Support	No

Comments:

**In Support of SB 2059**

The Honorable Roslyn Baker & Committee Members.

We are writing to express our support for CPA mobility, SB20159. All of us are young (in our thirties) CPAs licensed in Hawaii and work for a CPA firm in Hawaii. Although some in the accounting community are attempting to prohibit mainland firms from practicing in Hawaii, we believe Hawaii should allow qualified CPAs to do work in Hawaii just as we are allowed to do work on the mainland. The assumption that local CPAs can't compete with mainland firms and will create a loss of local jobs is offensive and we welcome the challenge to show that local CPAs are able to service Hawaii's business needs.

SB 2059 would give the State Board of Accountancy the power to protect consumers of CPA services even when they use an out of state accountant. The claim that Hawaii already has jurisdictional authority over mainland firms through the RICO statute is misplaced since many CPAs who reside elsewhere already work in Hawaii either in person, over the phone or through the internet. The passage of the mobility bill will provide the State Board of Accountancy automatic jurisdiction over out-of-state CPAs practicing in Hawaii providing greater protection to local companies.

We need to allow qualified CPAs to do work in Hawaii just as qualified CPAs from Hawaii are allowed to do work on the mainland. As of December 2017, 49 states, the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands have enacted CPA mobility legislation. Why Hawaii is the only U.S. state or territory that has not adopted CPA mobility remains a mystery to us.

The notion that Hawaii's consumers will be hurt by foreign practitioners that are unfamiliar with Hawaii law is unfounded. Limiting the availability of CPAs, regardless of where they come from, harms Hawaii businesses and puts Hawaii's consumers at risk. We live in a global economy and should think in global terms which means allowing CPAs who have the necessary education, experience, and knowledge to compete for CPA service both here and on the mainland.

We urge you to protect Hawaii's business by supporting SB 2059.

Respectfully yours,

Marc Miura, Dori Kaneshiro and Mark Inafuku

## Howard S. Todo, CPA

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1187 Ikena Circle  
Honolulu, Hawaii 96821  
Phone: 808 377-1187  
[Email: todos4@hawaii.rr.com](mailto:todos4@hawaii.rr.com)

### Testimony in Support of SB 2059

Committee on Commerce, Consumer Protection and Health  
February 20, 2018 at 9:00 am  
Conference Room 229

Chair Baker, Vice Chair Tokuda and members of the Committee:

While I will be traveling out of the country and thus will not be able to attend the hearing, I am writing to express my support for SB 2059.

As Hawaii is the only jurisdiction in the United States that does not allow CPA mobility, it is well past time to pass legislation to bring Hawaii into conformance with the rest of the country. This bears repeating: Hawaii is the only jurisdiction among all U.S. states and territories that does not allow CPAs of other jurisdictions to practice automatically in Hawaii.

This is akin to a visitor to Hawaii who has a driver's license from another state not being allowed to drive a vehicle in Hawaii, while a person with a Hawaii driver's license can legally drive a vehicle in any other state in the country.

How is Hawaii so different from all the other jurisdictions in the United States? Is every other jurisdiction wrong to allow CPA mobility?

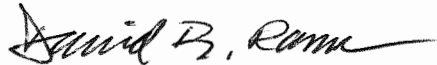
It's time for Hawaii to join the rest of the country.

**Committee on Commerce, Consumer Protection, and Health**  
**Tuesday, February 20, 2018 at 9:00 a.m.**  
**Conference Room 229**  
**State Capitol**

**Re: Opposition to SB 2059 Relating to Public Accountancy**  
**Chair Baker, Vice Chair Tokuda, and Committee Members:**

I am a certified public accountant on Hawaii Island since 1974. Over the span of my career I have worked for a big CPA firm, private industry and for the last 15 years I have owned and operated my own public accounting firm. It has given me great satisfaction to employ and train several college graduates who became licensed CPAs in Hawaii and leaders in private and public service. If SB 2059 is passed in its current form I will no longer be employing college graduates in Hawaii but will be forced to outsource work to foreign and mainland CPAs and relocate my business to the mainland. Hawaii will lose 3 direct jobs and more indirect jobs plus the loss of related general excise tax revenues.

I urge the committee to vote no on SB 2059.

A handwritten signature in black ink that reads "David B. Ramos". The signature is written in a cursive style with a long horizontal flourish at the end.

David B. Ramos, CPA