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OFFICE OF THE DIRECTOR
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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Intrastate Commerce
Tuesday, February 5, 2019
9:30 a.m.
State Capitol, Conference Room 430**

**On the following measure:
H.B. 1109, RELATING TO PUBLIC ACCOUNTANCY**

Chair Ohno and Members of the Committee:

My name is Daria Loy-Goto, and I am the Complaints and Enforcement Officer of the Department and Commerce and Consumer Affairs' Regulated Industries Complaints Office (RICO). RICO opposes this bill.

The purpose of this bill is to establish procedures for an out-of-state individual licensed as a certified public accountant (CPA) or certain accountancy firms to be granted practice privileges in the State by the Board of Public Accountancy (Board) if the licensee or firm meets certain qualifications and requirements for substantial equivalency. The bill also makes conforming amendments to the laws relating to public accountancy to reflect practice privileges.

Page 8, lines 18-21 of the bill defines "practice privilege" as the legal right to engage in the practice of public accountancy within the State, subject to certain conditions, without the need to obtain a license under Hawaii Revised Statutes (HRS) chapter 466. This language represents a significant departure from existing state

professional license regulation within RICO's enforcement authority. Since administrative enforcement is premised on action on a license, 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.

In addition, the bill contains a number of enforcement-related provisions that are unclear or not reconciled with current law. For example:

- HRS section 466- (c)(5), page 6, line 7 requires an individual granted a practice privilege to "promptly notify" the Board but fails to include a fixed timeframe for this requirement. The requirement as drafted would be difficult to enforce.
- Under HRS section 466- (d), 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. It is unclear whether there are circumstances in which this type of individual would not be required to practice through an accountancy firm that has a permit to practice in Hawaii.
- HRS section 466-9(a) on pages 19-20 should be clarified to indicate that all of the disciplinary provisions set forth in subsection (a) also apply to an individual granted a practice privilege.
- As a general matter, allowing out-of-state individuals to practice in Hawaii may be confusing to consumers. The bill does not require notice to consumers when an individual exercising a practice privilege in Hawaii performs work requiring a Hawaii license.

Finally, because RICO is funded through licensing fees, any costs associated with investigating and seeking enforcement against out-of-state individuals will be entirely borne by Hawaii licensees. Accordingly, language is needed to allow the Board to impose fees, fines, and costs associated with investigation and enforcement, either directly through the out-of-state individual or through the permit holder. Language is

also needed to allow RICO to seek additional orders from the Board to recover the costs of any collection efforts.

Thank you for the opportunity to testify on this bill.

Testimony of the Board of Public Accountancy

**Before the
House Committee on Intrastate Commerce
Tuesday, February 5, 2019
9:30 a.m.
State Capitol, Conference Room 430**

**On the following measure:
H.B. 1109, RELATING TO PUBLIC ACCOUNTANCY**

Chair Ohno and Members of the Committee:

My name is Gregg Taketa, and I am the Chairperson of the Board of Public Accountancy (Board). The Board reviewed this bill at its publicly noticed meeting, on January 25, 2019, and voted to oppose it.

The purposes of this bill are to: (1) 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 if the licensee or firm meets certain qualifications and requirements for substantial equivalency; and (2) make conforming amendments to the laws relating to public accountancy to reflect practice privileges.

As reflected in testimony provided by the Regulated Industries Complaints Office for S.B. 2059 of the Regular Session of 2018, the current bill does not include the necessary language to allow the Board to impose fees or costs associated with investigation and enforcement. The bill also does not include requirements to notify consumers that the work requiring a Hawaii license is being performed by an individual exercising a practice privilege in the State without first being licensed by the Board. The Board's primary charge is to protect the consumers and public with respect to the practice of public accounting in Hawaii by certified public accountants. The Board believes that the merits of this bill should be judged with this purpose in mind.

Thank you for the opportunity to testify on this bill.

HB-1109

Submitted on: 2/3/2019 9:31:48 AM

Testimony for IAC on 2/5/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ginger Sandell	Ginger Sandell Fin Services	Oppose	No

Comments:

I am the owner of a small firm. I feel that this bill puts local CPAs at a disadvantage. We already pay high fees to maintain our memberships in the AICPA, HSCPA, and HAPA. We also incur costs of ongoing continuing education and rising costs in tax software, payroll, and overhead.

I believe that HB 1109 will hurt local CPAs who do not have the deep pockets of many large mainland firms.

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 HB 1109 Relating to Public Accountancy

Chair Ohno, Vice Chair Kobayashi, and Committee Members:

I am writing to the Hawaii Legislature for the second time in two years on the matter of regulating certified public accountants in your state. I am a solo practitioner CPA, based in Japan, who is licensed in New Jersey, Pennsylvania, Hawaii, with a client base mostly in South Central Pennsylvania.

I OPPOSE the enactment of HB 1109, which is the re-introduction, almost word-for-word of Senate Bill 2059 from last year. As you recall, Senate Bill 2059 was substantially amended in Committee in the form of S.B. 2059-1. This amendment was the result of serious and principled negotiation between the parties opposed to the misguided mobility measure, and those in the Hawaii CPA community who acknowledge the need for temporary assistance with projects in Hawaii accounting, but who rightly question watering down the state's regulatory power over the profession to zero.

S.B. 2059-1 from last year was a fair balance between the rare need to invite accounting talent into Hawaii, and, frankly, the rights of the state to regulate and police who practices in Hawaii and how they practice.

Last year's opposition to the loose-restriction mobility measure came from some of the most dedicated public accountants in the state. Large accounting corporations, so-called Big Four, through their vehicle the AICPA, which has refashioned itself as an "international" association, have decided that Hawaii should submit to some new regulatory scheme for the simple fact that they want to market US accounting roles internationally to low-priced workers. Moreover, they want to allow companies to set up Hawaii-focused departments in far-flung places like Los Angeles, Taipei, Bangalore, or wherever convenient, and use the internet to grab business away from bricks-and-mortar firms.

Any careful analysis shows that Hawaii not conceding to this mobility measure will simply mean that the marketing initiative will simply have an asterisk next to

the state when it comes to making these “international” agreements to allow foreign companies and foreign workers to take jobs away from American CPAs. Maybe this is not an issue yet in other states, but there is no cause for alarm if one state says “no”. Or rather, is saying “welcome, but see our specific regulatory framework.”

People in New Jersey don’t pump their own gas. Louisiana was an asterisk for years on the enactment of the Uniform Commercial Code. Many states do one or two things differently from their bordering neighbors. It’s federalism. Hawaii has no bordering neighbors – just ocean. As we are seeing from how the internet is being employed by adversarial powers to undermine our own elections and government, delivering services from afar over the internet is no cure all or unquestioned improvement to thinking things through and doing them right.

As I explained last year to this respected board, when I researched the rules about licensure in Hawaii, I learned that a CPA seeking to serve Hawaii clients for fee-based professional services, including tax returns, needs to come under the regulation of the state.

Aside from the federal regulations, like IRS Form 2848 power of attorney, that override state law, a CPA accepting clients in Hawaii should be regulated by Hawaii. It should not be an activity that goes out to the internet, which it what it will become, since Hawaii has no bordering neighbors.

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 any supposed CPA who, in the traditional term, “holds out” over the internet and seeks business in Hawaii.

This is important: the mobility advocates claim that, currently, Hawaii has no jurisdiction over non-registered accountants. That’s entirely wrong. What’s going on is that non-licensed CPAs are committing at minimum a disorderly persons offense by holding out to Hawaii residents, and you are being forced to figure out who is doing this and having to spend the money to chase them down. **Hawaii always has jurisdiction over business done in Hawaii. The mobility act forfeits the ability you have to USE your jurisdiction’s powers.**

So it makes sense for an island state to keep its powers and not outsource whatever is supposed to pass for regulation that there might be over to large private companies and agencies somewhere off Hawaii. (“Good luck with that”, as the contemporary saying goes.)

You become a row on the Excel spreadsheet.

With minor delays that were due to my eclectic and extensive, non Big Four, background, I was easily able to obtain a Hawaii CPA to serve potential tax clients in the trade between Hawaii and Narita, Japan. This took me inside of about six months for the permanent license, and a temporary license would likely have been available in short order.

I had no problem submitting to the regulation of a particular state. I did already for two other states for years, and I am a lawyer who is a member of the bar of those same two. Five regulatory authorities. And I live in Japan, an international place that is one of the most regulated places going, frankly. Admittedly, as a solo CPA, I am a relative “small fry” business, as it goes. And basically malahini to the Hawaii professional scene. But still I have this question:

I’m regulated, why can’t they be?

Hawaii Association of Public Accountants is correct: there are serious concerns that aren’t being addressed.

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. The Supreme Court’s *Wayfair* case does not solve this when it comes to Hawaii GST.

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. (Why would you do this?)

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-called 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 match those of my home state of New Jersey. Other states are not to this level, but the only reason it is not an issue in New Jersey is that surrounding states, where most all of the mobility originates, have similar competitive standards.

"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 spent nearly forty years in a deregulatory spiral that is showing its unpleasant harvest time and again. The innovation of the 20th century, especially after the New Deal, was the benefit of regulation by government. We should not give this over to private entities, no matter how much they are currently still held in esteem.

As I shared in the testimony in opposition to S.B. 2059 last year, I have seen here in Japan what happens when there is essentially an unregulated market for American CPA talent. 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.

The American CPA profession in downtown Tokyo is a 19th century Wild West of sorts, where companies are "free" hire the pretend CPAs, and the pretend CPAs (*giri giri beikoku kaikeishi* in Japanese) are free to make any claims to credentials or competence they want. Then, when the so-called talent is in place, they proceed to make a lot of errors, and arguably do some things through lack of knowledge or on purpose that may even cross the line into criminality, and definitely into incompetence. I know. I worked in Tokyo.

The next chapter in the story usually went to how someone had held out as CPA, or how they bounced around the foreign *gaishikei* firms, or how Japan is different. I

heard one once where supposedly debit and credit were “reversed” in Japanese accounting.

None of this is going on in the Japanese CPA world, because there’s tight regulation and a regulatory presence that controls the fate of the regulated.

Last year, I pointed out, as you are aware, that to some huge multinational entities and government officials, Hawaii is “some island out in the Pacific”, and when the same boilerplate legislation is proposed again and again when compromise work had already been done on an alternative, the impression it leaves is that Hawaii is just seen as some island(s) that have to get in line with the corporate program.

Those corporations are happy to buy the same influence as in the last skirmish, and the same takers are happy to grab the dough. The citizens of the place are not benefitted in the least by that.

Protect Hawaii’s residents and local accounting profession by voting NO on House Bill 1109.

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

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

Committee on Intrastate Commerce

Tuesday, February 5, 2019 at 9:30 a.m.
Conference Room 430
State Capitol

RE: Opposition to HB1109
Relating to Public Accountancy

Testimony of Colleen Takamura

February 4, 2019

Chair Ohno, Vice-Chair Kobayashi and Committee Members:

I oppose HB1109.

I am a CPA in public practice. I am a manager for a CPA firm on Maui. I have been working in public practice for 34 years. In addition to this, I worked for my father, who was also a CPA, during high school and college summers and Christmas breaks.

I strongly oppose the "no notice, no fees" CPA mobility legislation for the following reasons:

HB1109 allows for lower CPA licensing standards for foreign and out-of-state CPAs who practice in Hawaii. The standards that must be met by Hawaii licensed CPAs are higher. I think foreign and out-of-state CPAs should meet the same standards as those licensed in Hawaii. I have worked hard to earn my degrees in college, to pass the CPA exam (at that time, you had to take the whole CPA exam at one time and pass at least two parts), to work in a public accounting office to earn my experience to become a CPA and to pass the ethics exam before the Board of Public Accountancy would license you. In 1981, when I received my accounting undergraduate degree, my father urged me to obtain my masters degree. I did get my masters in accounting. It was already in the works that you would need the upper level college classes to be licensed in Hawaii. I didn't realize at the time that it would take more than 20 years to become a reality. It was a lot of work and at the end, you were proud to be a CPA.

Opposition to HB1109

Page two

February 4, 2019

The biggest and most concerning issue regarding this bill is a consumer protection. Is it in the best interest of Hawaii residents that foreign and out-of-state CPAs do not have to meet the same standards set for Hawaii CPAs? The answer is **NO**. We're proud to be from Hawaii where the standards are set higher than other states. It shows that the State of Hawaii is protecting its residents. Is it in the best interest of the public to lower the standards for foreign and out-of-state CPAs? I don't think so. The out-of-state CPAs do not live here permanently. What happens if something goes wrong with a Hawaii client and the out-of-state CPA has already left the islands? Who will the Hawaii resident turn to? Will the Board of Accountancy help him? I don't think so. I think it will end up being that a Hawaii CPA that will have to help the client and the client will end up paying for the out-of-state CPAs mistakes.

If the CPA licensing standards are lowered, there are no payment fees and no notice of practice in Hawaii to the Hawaii Board of Public Accountancy, there will be a loss of Hawaii jobs if out-of-state and foreign CPAs are allowed to practice in Hawaii without a Hawaii CPA license and permit to practice.

HB1109 provides that no fees will be charged to out-of-state individual CPAs practicing in Hawaii. This is troubling since there will be higher costs of enforcement against foreign and out-of-state CPA practitioners. Hawaii CPAs would have to shoulder the entire burden of the states CPA licensing fees, and those fees would probably be increase with the loss of tens of thousands of dollars in fees currently collected from our-of-state CPAs who pay permanent Hawaii license and permit to practice fees or temporary permit to practice fees.

This legislation is one-sided and only provides practice rights for out-of-state CPAs without similar "no notice, no fees" practice rights given to Hawaii CPAs and Hawaii CPA firms to practice in most other states. Although there are some states that have adopted CPA mobility legislation, these are typically states with lower CPA licensing standards. In addition, many of these states charge fees, require notice, restrict the scope of practice privileges give to out-of-state CPAs, require CPA firm licensing or require reciprocal arrangements from the CPAs home state.

Please protect Hawaii's consumers by voting NO to HB1109 for the above and many more reasons.

Thank you for this opportunity to testify.

Respectfully submitted,



Colleen M. Takamura, CPA

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Honolulu, Hawaii 96813

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Before the House Committee on
INTRASTATE COMMERCE

Tuesday, February 5, 2019

Testimony of Ronald I. Heller

In Support of House Bill 1109
Relating to Public Accountancy

Chair Ohno, Vice-Chair Kobayashi, and Members of the Committee:

I have been a licensed CPA in Hawaii for more than 38 years, and I SUPPORT House Bill 1109.

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 state 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



HAWAII ASSOCIATION OF PUBLIC ACCOUNTANTS

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



Committee on Intrastate Commerce

LATE

Tuesday, February 5, 2019 at 9:30 a.m.

Conference Room 430

State Capitol

Re: Strong Opposition to HB1109 Relating to Public Accountancy

Chair Ohno, Vice Chair Kobayashi 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 650 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 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.

HB1109 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. HB1109 benefits primarily the large international CPA firms.

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 HB1109

HB1109 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.¹ 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.² Unfortunately, HB1109 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 HB1109

According to the Department of Commerce and Consumer Affairs records as of July 17, 2018, Hawaii already has 755 out-of-state and foreign-based practitioners out of a total of 3,002 CPAs (i.e., over 25% of Hawaii CPA licensees are not residents of Hawaii). Hawaii would lose a significant amount of license fee revenue. Who would make up the costs for enforcement for out-of-state and foreign CPAs?

Hawaii jobs will be lost with HB1109

It is obvious that Hawaii jobs will be lost to mainland and foreign CPAs 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 HB1109

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 over 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

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

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

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?

HB1109 will also reduce the Board's current control of 755 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.³ 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.

HB1109 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 HB 1109. 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 HB1109 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.

³ See <https://www.ctec.org/tax-professionals/what-is-crtp>

HB1109 allows non-CPA firm ownership by out-of-state CPA firms

HB1109 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.

HB1109 delegates legislative authority to two private organizations without legislative oversight and allows those with lower “substantially equivalent” CPA licensing standards to practice in Hawaii

HB1109 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.

HB1109 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. 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 HB1109 for the above and many more reasons. The members of the Hawaii Association of Public Accountants ask that they be allowed to practice in Hawaii on the same playing field as out-of-state CPAs.

Please do not hesitate to contact us with any questions or concerns. Thank you for considering the above.

Respectfully submitted,

Brian M. Iwata, CPA, President, Hawaii Association of Public Accountants (telephone (808) 935-5404), [www.brian@tihcpa.com](mailto:brian@tihcpa.com), and

Marilyn M. Niwao, M.S.P.H., J.D., CPA, CGMA, Legislative Committee Chair, Hawaii Association of Public Accountants, (telephone (808) 242-4600, ext. 224), niwao@mauicpa.com

Committee on Intrastate Commerce

Tuesday, February 5, 2019 at 9:30 a.m.
Conference Room 430
State Capitol

Re: Opposition to HB 1109 Relating to Public Accountancy

Chair Ohno, Vice Chair Kobayashi, 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 HB 1109 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 HB 1109 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. HB 1109 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 HB 1109 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 HB 1109 passes, we will be forced to pursue 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 HB 1109 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 HB 1109 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.¹ (These firms only obtained GET license numbers sometime later after they were warned of their noncompliance.) 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.²

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. HB 1109 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.

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

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

Hawaii can ill afford to lose one more dollar of licensing fee revenues, yet this is exactly what will happen if HB 1109 is passed.

According to the State of Hawaii *Geographic Report* (Current Licenses) as of July 17, 2018, prepared by the Department of Commerce and Consumer Affairs Professional and Vocational Licensing Division, there are 732 mainland-based and 23 foreign-based CPAs licensed in Hawaii.³ That means that 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 174 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.

HB 1109 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. HB 1109 will just shift the cost of funding any enforcement actions against mainland and foreign-based practitioners to Hawaii-based CPAs and their firms.

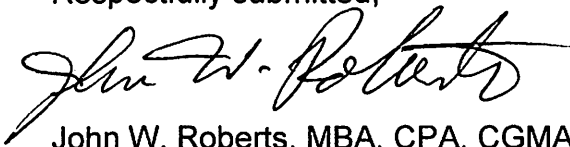
PERSONAL COMMENT

The preamble to HB 1109 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 HB 1109 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 HB 1109 for the above reasons.

Respectfully submitted,



John W. Roberts, MBA, CPA, CGMA

³ DCCA PVL Geographic Report as of July 17, 2018 is available at https://cca.hawaii.gov/pvl/files/2018/07/WebGeo_071718.pdf

LATE

HB-1109

Submitted on: 2/4/2019 1:39:13 PM

Testimony for IAC on 2/5/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Howard Kam, Jr.	TRUSTA, An Accountancy Corporation	Support	No

Comments:

As the 9th largest CPA in Honolulu, Hawaii, we support HB1109 since it enables our island community to seek and obtain assistance of national experts in the CPA profession. The bill also enables CPA's and CPA firms licensed in Hawaii to provide services outside of the state, which is currently restricted since we are the only state that does not have a CPA mobility statutes.



LATE

House Committee on Intrastate Commerce
Tuesday, February 5, 2019
Conference Room 430 – 9:30 a.m.

IN SUPPORT OF HB 1109

Dear Chair Ohno, Vice Chair Kobayashi and Committee Members:

900 Fort Street

Suite 850

P.O. Box 1754

Honolulu, Hawaii 96806

Tel: (808) 537-9475

Fax: (808) 537-3520

E-mail: info@hscpa.org

Website: www.hscpa.org

I am Darryl Nitta, 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.

Testimony in Support of HB 1109
February 5, 2019
Page Two

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 HB 1109.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Darryl K. Nitta". The signature is written in a cursive, flowing style.

Darryl K. Nitta, President
Board of Directors

LATE

TESTIMONY BEFORE THE
HOUSE OF REPRESENTATIVES
INTRASTATE COMMERCE COMMITTEE

TUESDAY, FEBRUARY 5, 2019

TO: Chair Takashi Ohno, Vice Chair Dale Kobayashi, and Committee Members

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

RE: **HB 1109 RELATING TO ACCOUNTANCY**

POSITION: **STRONGLY SUPPORT**

Thank you for the opportunity to submit testimony in support of HB 1109. 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 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 HB 1109.

Sincerely,

Adrian K. Hong, CPA*

President

Island Plastic Bags, Inc.

www.islandplasticbags.com

Email: ahong@islandplasticbags.com | Phone: 808-484-4046 | Fax: 808-488-8505

*Not in public practice

Before the House Committee on Intrastate Commerce

Tuesday, February 5, 2019

9:30 a.m. in Conference Room 430

IN SUPPORT OF HB 1109

Chair Ohno, Vice Chair Kobayashi 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 HB 1109 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 HB 1109.

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

Sincerely,

Darryl Nitta
Managing Director of C&Y CPAs LLC



LATE

House Committee on Intrastate Commerce

February 5, 2019 at 9:30 a.m.
Conference Room 430

In Support of House Bill 1109

Chair Ohno, Vice Chair Kobayashi, and Committee Members:

Thank you for the opportunity to testify in support of House Bill No. 1109. 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 House Bill No. 1109.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dustin T. Verity".

Dustin T. Verity, CPA
Managing Principal

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

LATE

Committee on Intrastate Commerce

Tuesday, February 5, 2019 at 9:30 a.m.
Conference Room 430
State Capitol

Re: Opposition to HB1109 Relating to Public Accountancy

Chair Ohno, Vice Chair Kobayashi:

I am a CPA and practice public accounting on Oahu. I am the owner of Eric H. Matsuda, CPA and have been a CPA for 29 years in the State of Hawaii.

I strongly oppose HB1109 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;
- discriminates against local Hawaii CPAs by failing to provide a fair ad level playing field as compared to out-of-state CPAs.

Please protect Hawaii's jobs, taxes and fee revenues, and protect Hawaii's consumers by voting NO to HB1109 for the above and many more reasons.

Respectfully submitted,

Eric H. Matsuda, CPA



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON INTRASTATE COMMERCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430
TUESDAY, FEBRUARY 5, 2019 AT 9:30 A.M.**

To The Honorable Takashi Ohno, Chair;
The Honorable Dale T. Kobayashi, Vice Chair; and
Members of the Committee on Intrastate Commerce,

TESTIMONY IN OPPOSITION TO HB 1109 RELATING TO PUBLIC ACCOUNTANCY

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce with approximately 650 businesses. I am writing share our opposition to HB 1109.

We are constantly promoting buy local products and services first and while we recognize that we are in an era of global economy, where that is the case we believe there should be a level playing field. As there is already a standard in place for out of state and international accounting firms to practice in Hawaii (which we support), there should be no need for this bill to change that. Therefore, we oppose this bill

Mahalo for your consideration of our testimony and ask that you please defer this bill.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

LATE

Testimony of Shirley J Daniel, Ph.D., CPA

In Support of HB 1109

Before the Committee on Intrastate Commerce
Representative Takashi Ohno, Chair
Representative Dale Kobayashi, Vice Chair
Tuesday, February 5, 2019, 9:30 a.m. in Conference Room 430
Hawaii State Capitol, 415 South Beretania Street

Dear Chair Ohno, Vice Chair Kobayashi and Committee Members:

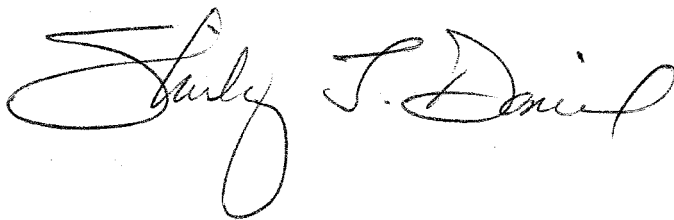
I am writing in support of HB 1109. The passage of this bill would serve the public by providing a higher level of quality control and monitoring by the Hawaii State Board of Public Accountancy for out of state accountants working in Hawaii. Second, a well-defined and monitored mobility would serve the 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. 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 HB 1109. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Shirley J. Daniel". The signature is written in a cursive style with a large, looping initial "S".

Shirley J Daniel, Ph.D., CPA

LATE

HB-1109

Submitted on: 2/4/2019 10:23:06 AM

Testimony for IAC on 2/5/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
G Tom	Individual	Support	No

Comments:

Dear Chair Ohno, Vice Chair Kobayashi and Committee Members,

I am a Hawaii licensed CPA, born, raised and educated right here in the State of Hawaii, and would like to submit my testimony in STRONG SUPPORT of HB1109. I have worked for both large national firms and locally owned firms and have experienced first hand the challenges that my clients (who are also locally-owned small and medium sized businesses) face when they cannot get access to out of state CPAs with specialized skills to serve their needs. I am not afraid that out-of-state licensed CPAs will come in and take away my firm's business.

The framework that HB1109 establishes brings Hawaii into compliance with the same regulatory model that the other 51 jurisdictions in the nation has adopted. Hawaii is the only US state that does not have CPA mobility. This simply does not make sense.

CPA mobility is analogous to the driver's license; anyone can drive in any state with a valid US state drivers license. If you get in trouble in another state, you automatically submit yourself to the jurisdiction of that state's DMV for enforcement of violations. The same applies to CPA mobility and the Hawaii State Board of Public Accountancy. Applying this further, can you imagine what would happen if you were not allowed to drive anywhere else in the US simply because you have a Hawaii driver's license? This is what may happen to local, Hawaii-licensed CPAs if we do not get mobility legislation passed; other US jurisdictions will start to limit our ability to serve Hawaii businesses with interests in other states because those states will not have reciprocity with Hawaii.

I urge you to please pass HB1109 forward. Thank you for your time and consideration.

LATE

Emily Ewing
283 Kuualoha Street
Kahului, Hawaii 96732
(808)214-8482

Committee on Intrastate Commerce

Tuesday, February 5, 2019 at 9:30 a.m.
Conference Room 430
State Capitol

RE: Opposition to HB1109
Relating to Public Accountancy

Testimony of Emily Ewing

February 4, 2019

Chair Ohno, Vice-Chair Kobayashi and Committee Members:

I oppose HB1109.

I am a CPA in public practice. I am a Senior Associate for a CPA firm on Maui. I have been working in public practice for four and a half years.

I strongly oppose the “no notice, no fees” CPA mobility legislation for the following reasons:

- 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
- 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
- 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

Please protect Hawaii’s jobs and Hawaii’s consumers by voting NO on HB1109 for the above and many more reasons.

Respectfully submitted,


Emily Ewing, CPA

LATE

HB-1109

Submitted on: 2/4/2019 10:26:46 AM

Testimony for IAC on 2/5/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Funasaki	Individual	Support	No

Comments:

Support of HB 1109

Chair Takashi Ohno and Vice Chair Dale Kobayashi:

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 HB 1109.

Sincerely,

Chad K. Funasaki

HB-1109

Submitted on: 2/4/2019 11:53:54 AM

Testimony for IAC on 2/5/2019 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Ryan Suekawa	Individual	Support	No

Comments:

My name is Ryan Suekawa, CPA, and I support *HB 1109 RELATING TO PUBLIC ACCOUNTANCY*. I was born and raised in Hawaii. I graduated from the University of Hawaii at Manoa and work in an accounting firm.

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

First, the practice of public accountancy is no longer a sole proprietor inspecting a business's paperwork from an office down the street. 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 HB 1109 will help businesses operating in Hawaii receive efficient public accountancy services.

Secondly, 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 *HB 1109*.

LATE

Testimony of Grayson Nose
In Support of HB 1109

House Committee on Intrastate Commerce
February 5, 2019
Conference Room 430 at 9:30 a.m.

Dear Chair Ohno, Vice Chair Kobayashi, and members of the Committee:

I am writing in support of HB 1109 regarding Mobility for CPAs. I have worked in both a big four accounting firm and a local firm. At the big firm, as the engagement team leader, we often needed to bring in staff from a mainland office to supplement the staff on the engagement team. We would often have a week's notice, and without the additional support, would have difficulty in meeting the client's deadlines. Due to the current rules for a temporary permit to practice, we often could not bring in the staff that we needed, which resulted in very long hours for the Hawaii based team. With Mobility, we would have been able to bring in the needed staff to assist in meeting the client's deadlines. With Hawaii's low unemployment rate, it is difficult to find the amount of staff needed, and the ability to supplement our current staff with CPAs from the mainland, would help to alleviate the staffing shortage. This would not take away jobs from graduating accounting students, as the qualified graduates are all finding jobs, and we would hire more graduates if we could find them. Not having Mobility in Hawaii is hindering our ability to serve Hawaii's businesses. Every other state has Mobility, why not Hawaii?

Please pass HB 1109.

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

LATE

House Committee on Intrastate Commerce

February 5, 2019 at 9:30 a.m.
Conference Room 430

In Support of House Bill 1109

Chair Ohno, Vice Chair Kobayashi, 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 founder and 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 and chair of the Hawaii State Board of Accountancy, I firmly believe that mobility legislation will strengthen and serve the public interest as it will give clear authority to the State of 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 House Bill 1109.

Mahalo nui loa,



Kent K. Tsukamoto, CPA

House Committee on Intrastate Commerce

LATE

February 5, 2019 at 9:30 a.m.
Conference Room 430

In Support of House Bill 1109

Dear Chair Ohno, Vice Chair Kobayashi, and Committee Members:

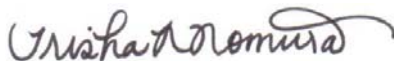
My name is Trisha Nomura, CPA*, and I support HB 1109. Passing the uniform CPA exam over 16 years ago and subsequently earning my CPA license remains one of my proudest achievements thus far. While I was a college student at Creighton University, I was fortunate to be given the advice that if I ever wanted to return home one day to raise a family and have a successful business career, that majoring in accounting and becoming a CPA would give me the best opportunity to do so. I studied hard to pass the CPA exam and have never regretted my decision. Becoming a CPA has afforded me the opportunity to buy a home and remain in Hawaii to raise my children – a dream that many others are not able to do.

Although I have worked hard to earn my CPA license, I completely support allowing CPAs from outside of Hawaii, who have also passed the uniform CPA examination and have earned a CPA license in their respective states, to have the mobility to work here. **Hawaii is the only U.S. jurisdiction that does not have CPA mobility** and quite honestly, it is embarrassing when I speak to my colleagues across the country and continue to state that we still do not allow for mobility here. All of the other states have granted our CPAs the ability to practice across the country – what makes us so different? In every decision that I make as a business leader, I try to make Hawaii proud – I try to make a mark so that Hawaii is not an afterthought but is at the forefront of positive change. In this regard, when it comes to mobility we are behind the rest of the country.

My career has led me over the years to work for a national firm, to own a small business and to be a part of one of Hawaii's largest employers. I can tell you that in each instance, when a well-qualified Hawaii CPA was available that was always our first choice. We never hired, or even considered, an out-of-state CPA unless there was specialized expertise that was not available locally.

Thank you in advance for your consideration of HB 1109. I humbly ask for your support.

Sincerely,



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

House District 48 – Representative Lisa Kitagawa
Senate District 24 – Senator Jarrett Keohokaloha

*Not in public practice

LATE

House Committee on Intrastate Commerce

Tuesday, February 5, 2019

9:30 a.m.

Conference Room 430

In Support of House Bill 1109

Chair Ohno, Vice Chair Kobayashi, and Committee Members:

My name is Michael T. Chinaka CPA, and I support HB 1109 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 limited 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 HB 1109.

Respectfully submitted,

Michael T. Chinaka, CPA

To: Chair Takashi Ohno, Vice Chair Dale Kobayashi, and Committee Members
House Committee on Intrastate Commerce

LATE

Re: In Support of House Bill No. 1109

My name is Edmund Nakano, CPA since 1974, currently employed in Business and Industry, and I am writing to request your support for House Bill No. 1109.

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. Since 2007, 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.

I humbly ask for your support of House Bill No. 1109.

Sincerely,



Edmund N. Nakano
98-709 Nohoaupuni Place
Aiea, HI 96701

House District No. 33
Senate District No. 16

House Committee on Intrastate Commerce
Tuesday, February 5, 2019
Conference Room 430 – 9:30 a.m.

LATE

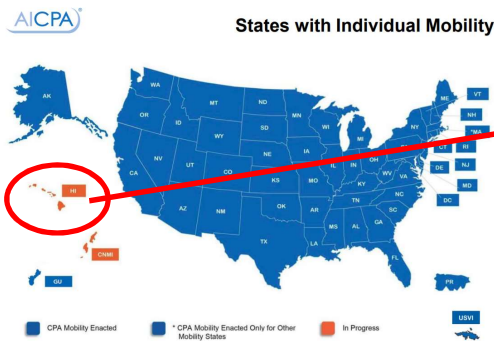
IN SUPPORT OF HB 1109

Dear Chair Ono, Vice Chair Kobayashi and Committee members:

I am writing to express my support for CPA mobility, HB1109. 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 HB1109 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 to catch up with the rest of the country by passing individual CPA mobility here. I humbly ask for your support to pass HB 1109. Thank you for your consideration.



Hawaii is the only state without CPA mobility

Source: AICPA.org

Sincerely,

Ying Yan Chen, Senate District No. 11

LATE

Before the House Committee on Intrastate Commerce
February 5, 2019
9:30 a.m. – Conference Room 430

IN SUPPORT OF HB 1109

The Honorable Takashi Ono and Committee Members:

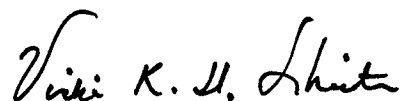
I am a resident of Senate District 10 and am writing to ask for your support on an issue that is important to me.

I have worked for 38 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. HB 1109 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 HB 1109 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 HB 1109. Thank you!

Respectfully submitted,



Vicki K. H. Shinsato District 10
3138 Waialae Avenue, #611
Honolulu, Hawaii 96816

LATE

HB-1109

Submitted on: 2/4/2019 3:40:52 PM

Testimony for IAC on 2/5/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kim Jones	Individual	Support	No

Comments:

Aloha,

My name is Kim Jones and I have been practicing as a tax CPA in Hawaii for over twenty years. Opponents of this bill talk about protecting Hawaii from outside foreign CPA's who want to steal our business. Lack of mobility doesn't protect us from outside CPA's. I have clients who call me all the time saying they've been contacted by a mainland boutique CPA firm that wants to sell them special services. That's happening now. My clients don't go with the mainland firm because they trust me. If the local CPA is doing a good job and providing quality service, the local CPA will be the client's go to person.

What this bill will provide is the ability for Hawaii CPA's to be on a level playing field with the CPA's of other states. We're the only state left that doesn't have mobility. That opens us up to being retaliated against by EVERY OTHER STATE.

Please pass this.

Sincerely,

Kim Jones

Before the House Committee on Intrastate Commerce
Tuesday, February 5, 2019
Conference Room 430
9:30 a.m.

LATE

IN SUPPORT OF HB 1109

Dear Chair Ohno and Committee:

I am currently working in the public accounting profession in the state of Hawaii and I support CPA mobility, HB 1109. 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 HB 1109 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 HB 1109 to benefit the state of Hawaii.

Please support HB 1109. Thank you for the opportunity to testify

Sincerely,

Hok Keung Hui – House District 25

**Before the House Committee on
Intrastate Commerce**

February 5, 2019
9:30 a.m. – Conference Room 430

LATE

IN SUPPORT OF HB 1109

The Honorable Takashi Ohno 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, HB 1109.

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 HB 1109 and thank you for giving me the opportunity to testify.

Respectfully submitted,

Alton K. Miyashiro

House District No. 19

LATE

Testimony in Support of HB 1109
Before the Committee on Intrastate Commerce

Tuesday, February 5, 2019
9:30 a.m.
Conference Room 430

Dear Chair Takashi Ohno, Vice Chair Dale Kobayashi, 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, House Bill 1109 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 HB 1109.

Sincerely

Tad Tadani
1773 A Palolo Avenue
Honolulu, HI 96816

LATE

Committee on Intrastate Commerce
Tuesday, February 5, 2019
9:30 a.m.
Conference Room 430

IN SUPPORT OF HB 1109

Dear Chair Ohno, Vice Chair Kobayashi 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, HB 1109.

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 HB 1109. Thank you for the opportunity to testify.

Sincerely,

Qi Zhou, House District No. 35

LATE

Testimony of Marc Miura
In Support of HB 1109

House Committee on Intrastate Commerce
February 5, 2019
Conference Room 430 at 9:30 a.m.

Chair Ohno, Vice Chair Kobayashi, and members of the committee:

As one of the younger CPAs in Hawaii, it has come to my attention that Hawaii is the only state without Mobility. I have heard arguments from both sides and am baffled as to why we do not have Mobility. Of all the states, Mobility makes the most sense for Hawaii. Due to the limited number of companies in such industries as banking, utilities, airlines, etc., we do not have the expertise to serve those clients without the support of CPAs from the mainland who specialize in serving clients in such industries. I serve many clients with an employee stock option plan, and am able to better serve those clients because of the assistance received from a CPA from the mainland who specializes in such plans. Without Mobility and the proper amount of lead time, I can only seek his assistance by phone or email. With Mobility, he can come to Hawaii with minimal notice to actually meet my clients face-to-face and get a better understanding of their issues.

I personally do not see Mobility as taking away jobs or opportunities from someone like me. I see it as providing me opportunities to help me learn and to help my clients.

Hawaii needs mobility, please pass HB 1109.

LATE

Carol S. Uhl, CPA
1748 Wili Pa Loop, Wailuku, HI 96793

Committee on Intrastate Commerce

Tuesday, February 5, 2019 at 9:30 a.m.
State Capitol Conference Room 430

Re: Opposition to HB1109 Relating to Public Accountancy

Chair Takashi Ohno & Vice Chair Dale Kobayashi:

I am a CPA in the practice of public accounting and have worked for over thirty years as a CPA for several international and local accounting firms on Oahu and currently on Maui.

I strongly oppose HB 1109 which provides for “No Notice, No Fees” CPA mobility for out-of-state and foreign CPAs practicing in Hawaii.

The Hawaii State Board of Accountancy has set high standards for all licensees (our own children) to meet and we should not lower those standards for out-of-state and foreign accountants who wish to practice here. We should provide a level playing field and not put our own citizens at a disadvantage.

We already have temporary permit provisions for any out-of-state CPA who wishes to do business here in Hawaii, and they should continue to be required to provide their Hawaii GET license numbers – this presumes that they are in fact reporting and paying their Hawaii GE taxes (apparently it was proven that there was a very low compliance rate of out-of-state CPA’s not paying their Hawaii GET). All CPA’s practicing in our state should be under the jurisdiction of the Hawaii State Board of Accountancy, Consumer Protection, and RICO, as we all are.

Please vote NO to HB 1109.

Respectfully submitted,

Carol S. Uhl

Carol S. Uhl, CPA



Taketa, Iwata, Hara & Associates, LLC

Certified Public Accountants & Consultants
101 Aupuni Street, Suite 139
Hilo, Hawaii 96720-4265

Committee on Intrastate Commerce

Tuesday, February 5, 2019

Conference Room 430

State Capital



Re: Strong Opposition to HB1109 Related to Public Accountancy

Chair Ohno, Vice Chair Kobayashi and Committee Members:

Our firm, Taketa, Iwata, Hara & Associates, LLC has been practicing on the Island of Hawaii since 1983. We are one of the larger, if not the largest, outer island CPA firms in Hawaii. The work we do provides a service to our community, and supports families on the Island of Hawaii. We strongly oppose HB1109 on the basis of the items outlined below.

We only support CPA mobility on a temporary basis with notice and fees, and meeting Hawaii's higher CPA licensing standards. Hawaii already has temporary permits available for out of state CPAs. HB1109 does away these, which is to the detriment of the local accounting industry (i.e. less jobs for those in Hawaii).

A study done by Hawaii Association of Public Accountants has shown lack knowledge and/or compliance by out of state CPAs with general excise tax laws. HB1109 would exacerbate this problem, placing a larger burden on Hawaii residents.

Loss of fees resulting from the no notice no fees provisions in HB1109 would result in less fees to fund enforcement of the rules by the Hawaii Board of Accountancy, due to the lack of temporary permit applications, and those dropping their Hawaii CPA licenses for those states requiring standards lower than Hawaii.

HB1109 will allow out of state and foreign CPAs having qualified under lower CPA licensing standards take away jobs from Hawaii CPAs. This is unfair to Hawaii CPAs. The younger generation will lose out on jobs in Hawaii. Hawaii CPA licensing standards are higher compared to most other states to protect the public.

There is a misnomer in this bill in that it leads one to believe other states with CPA mobility offer the same reciprocity as stated in this bill. This is false. Many states are increasingly imposing tax preparer registration requirements limiting out of state CPAs from providing tax preparation and tax consulting services in those states.

Gregg M. Taketa, CPA • Brian M. Iwata, CPA

Tel (808) 935-5404 Fax (808) 969-1499 E-mail: info@tihcpa.com Website: www.tihcpa.com

Under the provisions in HB1109 out of state CPA firms would be allowed to be owned by non-CPAs, while Hawaii CPA firms would remain being required 100% ownership by CPAs. This is misleading for Hawaii consumers.

HB1109 adopts the Uniform Accountancy Act, which relinquishes control to governing bodies AICPA and NASBA. No other states have entirely adopted the Uniform Accountancy Act. The AICPA is influenced by large international CPA firms, and accountants who do not practice public accounting.

HB1109 benefits primarily large international CPA firms.

Please protect Hawaii's jobs, taxes and fee revenues, and protect Hawaii's consumers by voting NO to HB 1109 for the above reasons. We ask you support us in allowing us to practice in Hawaii on the same playing as out of state CPAs. Vote NO on HB 1109.

Please do not hesitate to contact us with any questions or concerns.

Respectfully submitted,

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

Nathan A. Colgrove, Member