

Legislative Analysis



CPA HOURS OF INSTRUCTION

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House Bill 4893 (H-2) as reported from committee

Sponsor: Rep. Mark A. Tisdell

Committee: Finance

Revised 11-17-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4893 would amend the Occupational Code to modify the education requirements to qualify for certification as a certified public accountant (CPA), among other changes.

Certification requirements

Currently, to qualify for certification, an individual must have completed at least 150 semester hours of college education with a concentration in accounting at an educational institution approved by the Michigan State Board of Accountancy. (A bachelor's degree is typically earned with 120 semester hours.) The individual also must have one year of qualifying experience as defined by the act and pass a certification exam. To be eligible to sit for the exam, the individual must have completed a curriculum required for a bachelor's degree with a concentration in accounting at an approved education institution.

Under the bill, an individual would need to complete one of the following to qualify for certification:

- At least 150 hours of education and one year of qualifying experience (as currently required).
- A post-baccalaureate degree with a concentration in accounting at an approved educational institution and one year of experience.
- At least 120 credit hours, or a baccalaureate degree with a concentration in accounting, at an approved educational institution and two years of experience.

The requirements to qualify for an out-of-state practice privilege would also be updated to reflect the same standards. However, the bill also would grandfather in CPAs that had an out-of-state practice privilege as of December 31, 2024.

Continuing education requirements

Currently, the act requires licensees to complete at least 40 hours of continuing education for each year of a licensing cycle, including at least eight hours in the areas of auditing and accounting and two hours in professional ethics per year.

The bill would eliminate the requirement to complete eight hours of continuing education in the areas of auditing and accounting. The other requirements, including the 40-hour annual total, would not be changed.

The bill would take effect 90 days after it is enacted.

MCL 339.725 et seq.

BRIEF DISCUSSION:

According to committee testimony, the bill is designed to bring Michigan's requirements for CPAs in line with those of other states and the recent updates to the Uniform Accountancy Act,¹ which is the model licensing law of the National Association of State Boards of Accountancy.² The bill's supporters argued that this change would help to attract more CPAs to Michigan.

FISCAL IMPACT:

House Bill 4893 would have an indeterminate fiscal impact on the Department of Licensing and Regulatory Affairs (LARA). The bill would allow individuals to qualify for CPA licensure with 120 credit hours or a bachelor's degree in accounting. Currently, applicants must have 150 hours of college education, and this would remain an option for applicants under this bill. Those that complete 120 hours would need two years of qualifying experience, while those that complete 150 hours would need one year of qualifying experience. The reduction in required hours could result in more individuals being eligible and interested in applying for CPA licensure; it is not possible to know whether and to what extent this would occur, particularly because the required years of experience would be greater under this option. To the extent that there are additional applicants, LARA could experience an increase in license fee revenue.

POSITIONS:

A representative of the Michigan Association of Certified Public Accountants testified in support of the bill. (10-28-25)

A representative of the following entities indicated support for the bill:

- Department of Licensing and Regulatory Affairs (10-28-25)
- Mackinac Center for Public Policy (11-4-25)

Legislative Analyst: Alex Stegbauer
Fiscal Analyst: Una Jakupovic

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.

¹ <https://nasba.org/blog/2025/02/26/the-uniform-accountancy-act/>

² A 2025 report from LARA also recommended reducing the number of hours required:
https://www.michigan.gov/lara/-/media/Project/Websites/lara/about/LARA_CuttingRedTapeReport-1.pdf