

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 718

Introduced by Jacobson, 42.

Read first time January 07, 2026

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to certified public accountants; to amend
2 sections 1-114, 1-117, 1-125.01, 1-137, and 1-148, Reissue Revised
3 Statutes of Nebraska, and sections 1-116, 1-124, and 1-136.02,
4 Revised Statutes Cumulative Supplement, 2024; to eliminate obsolete
5 provisions; to change examination requirements; to change
6 requirements for the practice of certified public accountants
7 credentialed outside of Nebraska; to change and eliminate permitting
8 requirements; to change provisions relating to disciplinary actions;
9 to harmonize provisions; to repeal the original sections; and to
10 outright repeal section 1-136.04, Reissue Revised Statutes of
11 Nebraska.

12 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 1-114, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 1-114 (1) Prior to January 1, 1998, the board shall issue a
4 certificate of certified public accountant to any person (a) who is a
5 resident of this state or has a place of business therein or, as an
6 employee, is regularly employed therein, (b) who has graduated from a
7 college or university of recognized standing, and (c) who has passed a
8 written examination in accounting, auditing, and such other related
9 subjects as the board determines to be appropriate.

10 The (2) On and after January 1, 1998, the board shall issue a
11 certificate as a certified public accountant to any person (a) who is a
12 resident of this state or has a place of business in this state or, as an
13 employee, is regularly employed in this state, (b) who has passed an
14 examination in accounting, auditing, and such other related subjects as
15 the board determines to be appropriate, and (c) who has completed the
16 educational requirements specified in section 1-116.

17 **Sec. 2.** Section 1-116, Revised Statutes Cumulative Supplement, 2024,
18 is amended to read:

19 1-116 (1)(a) Prior to January 1, 2025, any person making initial
20 application to take the examination described in section 1-114 is
21 eligible to take the examination if he or she has completed at least one
22 hundred fifty semester hours or two hundred twenty-five quarter hours of
23 postsecondary academic credit and has earned a baccalaureate or higher
24 degree from a college or university accredited by an accrediting agency
25 recognized by the United States Department of Education or a similar
26 agency as determined to be acceptable by the board. The person shall
27 demonstrate that accounting, auditing, business, and other subjects at
28 the appropriate academic level as required by the board are included
29 within the required hours of postsecondary academic credit.

30 (b) Prior to January 1, 2025, a person who expects to complete the
31 postsecondary academic credit and earn the degree as required by this

1 subsection may take test sections of the examination within one hundred
2 twenty days prior to completing the postsecondary academic credit and
3 earning the degree, but such person shall not receive any credit for such
4 test sections unless evidence satisfactory to the board showing that such
5 person has completed the postsecondary academic credit and earned the
6 degree as required by this subsection is received by the board within one
7 hundred fifty days following when the first test section of the
8 examination is taken.

9 (2)(a) On or after January 1, 2025, any person making initial
10 application to take the examination described in section 1-114 is
11 eligible to take the examination if he or she has completed at least one
12 hundred twenty semester hours or one hundred eighty quarter hours of
13 postsecondary academic credit and has earned a baccalaureate or higher
14 degree from a college or university accredited by an accrediting agency
15 recognized by the United States Department of Education or a similar
16 agency as determined to be acceptable by the board. The person shall
17 demonstrate that accounting, auditing, business, and other subjects at
18 the appropriate academic level as required by the board are included
19 within the required hours of postsecondary academic credit.

20 (b) On or after January 1, 2025, no person is allowed to take any
21 portion of the examination prior to completing the academic credit and
22 earning the degree required by this subsection.

23 (1) Any person making initial application to take the examination
24 described in section 1-114 is eligible to take the examination if he or
25 she has earned a baccalaureate or higher degree from a college or
26 university accredited by an accrediting agency recognized by the United
27 States Department of Education or a similar agency as determined to be
28 acceptable by the board. The person shall demonstrate that accounting,
29 auditing, business, and other subjects at the appropriate level as
30 required by the board are included within the required hours of
31 postsecondary academic credit.

1 (2) (3) The board shall not prescribe the specific curricula of
2 colleges or universities.

3 (3) (4) If the applicant is an individual, the application shall
4 include the applicant's social security number.

5 **Sec. 3.** Section 1-117, Reissue Revised Statutes of Nebraska, is
6 amended to read:

7 1-117 Any person who has successfully completed the examination
8 described in section 1-114 shall have no status as a certified public
9 accountant unless and until such person he or she has the requisite
10 education and experience and also has been issued a certificate and
11 permit as a certified public accountant.

12 **Sec. 4.** Section 1-124, Revised Statutes Cumulative Supplement, 2024,
13 is amended to read:

14 1-124 (1)(a) The board may, in its discretion, waive the examination
15 described in section 1-114 and may issue a reciprocal certificate as a
16 certified public accountant to any person who possesses the
17 qualifications specified in sections subdivision (2)(a) of section 1-114
18 and section 1-116 and who is the holder of a certificate as a certified
19 public accountant, then in full force and effect, issued under the laws
20 of any state or is the holder of a certificate, license, or degree in a
21 foreign country constituting a recognized qualification for the practice
22 of public accountancy in such country, comparable to that of a certified
23 public accountant of this state, which is then in full force and effect.

24 (b) The board shall waive the examination described in section 1-114
25 and the educational requirements specified in section 1-116 and shall
26 issue a reciprocal certificate as a certified public accountant to any
27 person who possesses the qualifications specified in subdivision (2)(a)
28 of section 1-114, who is the holder of a certificate as a certified
29 public accountant, then in full force and effect, issued under the laws
30 of any state, who meets all other current requirements of the board for
31 issuance of a certificate as a certified public accountant, and who, at

1 the time of the application for a reciprocal certificate as a certified
2 public accountant, has had, within the ten years immediately preceding
3 application, at least four years of experience in the practice of public
4 accountancy specified in subdivision (1)(c) (1)(b) of section 1-136.02.

5 (2) The board shall charge each person obtaining a reciprocal
6 certificate issued under this section a fee as established by the board
7 not to exceed four hundred dollars.

8 **Sec. 5.** Section 1-125.01, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 1-125.01 (1)(a) (1) A person who does not hold a certificate as a
11 certified public accountant or a permit issued under subdivision (1)(a)
12 of section 1-136 and who possesses an active permit, certificate, or
13 license which allows the person to engage in the practice of public
14 accountancy as a certified public accountant in another state and whose
15 principal place of business is outside this state shall have all the
16 practice privileges of a certified public accountant who holds a permit
17 issued under subdivision (1)(a) of section 1-136, including the use of
18 the title or designation certified public accountant or C.P.A., without
19 the need to hold a certificate or a permit issued under subdivision (1)
20 (a) of section 1-136, or to notify or register with the board or pay any
21 fee, if such person: -

22 (i) Has his or her principal place of business outside this state;
23 (ii) Holds an active license as a certified public accountant from
24 any other state; and

25 (iii) Was required to show evidence to the licensing body of the
26 other state of having passed the Uniform Certified Public Accountant
27 Examination and attained the minimum education and experience
28 requirements defined by the board at the time of initial licensure.

29 (b) However, a person is not eligible to exercise the practice
30 privilege afforded under this section if the person has a permit,
31 certificate, or license under current suspension or revocation for

1 reasons other than nonpayment of fees or failure to comply with
2 continuing professional educational requirements in another state.

3 (2) Any person ~~of another state~~ exercising the practice privilege
4 afforded under this section and any partnership, limited liability
5 company, or other allowed entity of certified public accountants which
6 employ that person hereby simultaneously consent, as a condition of the
7 exercise of the practice privilege:

8 (a) To the personal and subject-matter jurisdiction and disciplinary
9 authority of the board;

10 (b) To comply with the Public Accountancy Act and the rules and
11 regulations adopted and promulgated under the act;

12 (c) That in the event the authorization to engage in the practice of
13 public accountancy in the state of the person's principal place of
14 business is no longer valid, the person will cease offering or rendering
15 professional services in this state individually and on behalf of the
16 person's partnership, limited liability company, or other allowed entity
17 of certified public accountants; and

18 (d) To the appointment of the state entity which issued the person's
19 authorization to engage in the practice of public accountancy as the
20 person's agent upon whom process may be served in any action or
21 proceeding by the board against the person.

22 (3) The practice privilege afforded under this section or any other
23 section shall not be interpreted to prevent any governmental body from
24 requiring that public accounting services performed for a governmental
25 body or for an entity regulated by a governmental body be performed by a
26 person or firm holding a permit issued under section 1-136.

27 (4) Any person who exercises the practice privilege afforded under
28 this section and who, for any entity with its home office in this state,
29 performs attestation services, may only do so through a firm or an
30 affiliated entity which holds a permit issued under section 1-136.

31 **Sec. 6.** Section 1-136.02, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 1-136.02 (1)(a) (1) The board shall issue a permit under subdivision
3 (1)(a) of section 1-136 to a holder of a certificate as a certified
4 public accountant when such holder has completed:

5 (i) A postbaccalaureate degree and one year of experience;

6 (ii) A baccalaureate degree plus an additional thirty credit hours
7 of education and one year of experience; or

8 (iii) A baccalaureate degree and two years of experience.

9 (b) The degree required under this subsection shall be conferred by
10 a college or university accredited by an accrediting agency recognized by
11 the United States Department of Education or a similar agency as
12 determined to be acceptable by the board. The degree program shall
13 include the accounting subject areas or equivalent to be determined by
14 the board.

15 (c) The experience acquired to satisfy the requirement under this
16 subsection shall be satisfactory to the board and shall include providing
17 any type of service or advice involving the use of accounting, attest,
18 compilation, management advisory, financial advisory, tax, or consulting
19 skills. The experience shall be under the supervision of an active
20 certified public accountant who is the holder of a permit issued under
21 subdivision (1)(a) of section 1-136 or the equivalent issued by another
22 state. The experience may be gained through employment in public
23 practice, government, industry, or academia as acceptable to the board.

24 (a) At least one hundred fifty semester hours or two hundred twenty-
25 five quarter hours of postsecondary academic credit and has earned a
26 baccalaureate or higher degree from a college or university accredited by
27 a regional accrediting agency as recognized by the United States
28 Department of Education or a similar agency as determined to be
29 acceptable by the board. The person shall demonstrate that accounting,
30 auditing, business, and other subjects at the appropriate academic level
31 as required by the board are included within the required hours of

1 postsecondary academic credit; and

2 (b)(i) Two years of accounting experience satisfactory to the board,
3 in any state or foreign country, in employment as an accountant in a
4 firm, proprietorship, partnership, corporation, limited liability
5 company, or other business entity authorized in any state to engage in
6 the practice of public accountancy under the supervision of an active
7 certified public accountant who is the holder of a permit issued under
8 subdivision (1)(a) of section 1-136 or the equivalent issued by another
9 state;

10 (ii) Except as provided in subdivision (b)(iii) of this subsection,
11 three years of accounting experience satisfactory to the board, in any
12 state or foreign country, in employment as (A) an accountant in
13 government or business under the supervision of an active certified
14 public accountant who is the holder of a permit issued under subdivision
15 (1)(a) of section 1-136 or the equivalent issued by another state or (B)
16 faculty at a college or university of recognized standing under the
17 supervision of an active certified public accountant who is the holder of
18 a permit issued under subdivision (1)(a) of section 1-136 or the
19 equivalent issued by another state; or

20 (iii) Two years of accounting experience satisfactory to the board
21 in employment as an accountant in the office of the Auditor of Public
22 Accounts or the Department of Revenue under the supervision of an active
23 certified public accountant who is the holder of a permit issued under
24 subdivision (1)(a) of section 1-136 or the equivalent issued by another
25 state.

26 (2) The board shall issue a permit under subdivision (1)(a) of
27 section 1-136 to a holder of a reciprocal certificate issued under
28 section 1-124 upon a showing that:

29 (a) The applicant He or she meets all current requirements in this
30 state for issuance of a permit at the time the application is made; and

31 (b) At the time of the application for a permit, the applicant,

1 within the ten years immediately preceding application, met the meets an
2 experience requirement in subdivision (1) (1)(b) of this section.

3 **Sec. 7.** Section 1-137, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 1-137 After notice and hearing as provided in sections 1-140 to
6 1-149, the board may take disciplinary action as provided in section
7 1-148 for any one or any combination of the following causes:

8 (1) Fraud or deceit in obtaining a certificate as a certified public
9 accountant or the practice privilege or temporary practice privilege,
10 registration, or a permit under the Public Accountancy Act;

11 (2) Dishonesty, fraud, or gross negligence in the practice of public
12 accountancy;

13 (3) Violation of any of the provisions of sections 1-151 to 1-161;

14 (4) Violation of a rule of professional conduct adopted and
15 promulgated by the board under the authority granted by the act;

16 (5) Conviction of a felony under the laws of any state or of the
17 United States;

18 (6) Conviction of any crime, an element of which is dishonesty or
19 fraud, under the laws of any state or of the United States;

20 (7) Cancellation, revocation, suspension, or refusal to renew
21 authority to practice as a certified public accountant or a public
22 accountant in any other state, for any cause other than failure to pay a
23 registration fee in such other state;

24 (8) Suspension or revocation of the right to practice before any
25 state or federal agency; or

26 (9) Failure of a certificate holder or registrant to obtain a permit
27 issued under section 1-136, within either (a) three years from the
28 expiration date of the permit last obtained or renewed by the certificate
29 holder or registrant or (b) three years from the date upon which the
30 certificate holder or registrant was issued his or her certificate or
31 registration if no permit was ever issued to him or her, unless under

1 section 1-136 such failure was excused by the board pursuant to section
2 1-136.

3 **Sec. 8.** Section 1-148, Reissue Revised Statutes of Nebraska, is
4 amended to read:

5 1-148 Upon the completion of any hearing, the board, by majority
6 vote, shall have the authority through entry of a written order to take
7 in its discretion any or all of the following actions:

8 (1) Issuance of censure or reprimand;

9 (2) Suspension of judgment;

10 (3) Placement of the permitholder, certificate holder, registrant,
11 or person exercising the practice privilege or the temporary practice
12 privilege on probation;

13 (4) Placement of a limitation or limitations on the permit,
14 certificate, or registration and upon the right of the permitholder,
15 certificate holder, registrant, or person exercising the practice
16 privilege or the temporary practice privilege to practice the profession
17 to such extent, scope, or type of practice for such time and under such
18 conditions as are found necessary and proper;

19 (5) Imposition of a civil penalty not to exceed ten thousand
20 dollars, except that the board shall not impose a civil penalty under
21 this subdivision for any cause enumerated in subdivisions (5) through (9)
22 of section 1-137 and subdivisions (1) and (2) of section 1-138. The
23 amount of the penalty shall be based on the severity of the violation;

24 (6) Entrance of an order of suspension of the permit, certificate,
25 registration, or practice privilege or temporary practice privilege;

26 (7) Entrance of an order of revocation of the permit, certificate,
27 registration, or practice privilege or temporary practice privilege. A
28 revocation order under this subdivision shall be considered
29 nondisciplinary if it is issued for a failure under subdivision (9) of
30 section 1-137;

31 (8) Imposition of costs as in ordinary civil actions in the district

1 court, which may include attorney and hearing officer fees incurred by
2 the board and the expenses of any investigation undertaken by the board;
3 or

4 (9) Dismissal of the action.

5 **Sec. 9.** Original sections 1-114, 1-117, 1-125.01, 1-137, and 1-148,
6 Reissue Revised Statutes of Nebraska, and sections 1-116, 1-124, and
7 1-136.02, Revised Statutes Cumulative Supplement, 2024, are repealed.

8 **Sec. 10.** The following section is outright repealed: Section
9 1-136.04, Reissue Revised Statutes of Nebraska.