

# LEGISLATIVE BILL 718

Approved by the Governor February 25, 2026

Introduced by Jacobson, 42.

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

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

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

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

~~The (2) On and after January 1, 1998, the board shall issue a certificate as a certified public accountant to any person (1) (a) who is a resident of this state or has a place of business in this state or, as an employee, is regularly employed in this state, (2) (b) who has passed an examination in accounting, auditing, and such other related subjects as the board determines to be appropriate, and (3) (c) who has completed the educational requirements specified in section 1-116.~~

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

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

~~(b) Prior to January 1, 2025, a person who expects to complete the postsecondary academic credit and earn the degree as required by this subsection may take test sections of the examination within one hundred twenty days prior to completing the postsecondary academic credit and earning the degree, but such person shall not receive any credit for such test sections unless evidence satisfactory to the board showing that such person has completed the postsecondary academic credit and earned the degree as required by this subsection is received by the board within one hundred fifty days following when the first test section of the examination is taken.~~

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

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

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

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

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

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

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

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

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

(b) The board shall waive the examination described in section 1-114 and the educational requirements specified in section 1-116 and shall issue a reciprocal certificate as a certified public accountant to any person who possesses the qualifications specified in subdivision (2)(a) of section 1-114, who is the holder of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state, who meets all other current requirements of the board for issuance of a certificate as a certified public accountant, and who, at the time of the application for a reciprocal certificate as a certified public accountant, has had, within the ten years immediately preceding application, at least four years of experience in the practice of public accountancy specified in subdivision (1)(c) (1)(b) of section 1-136.02.

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

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

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

(i) Has his or her principal place of business outside this state;

(ii) Holds an active license as a certified public accountant from any other state; and

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

(b) However, a person is not eligible to exercise the practice privilege afforded under this section if the person has a permit, certificate, or license under current suspension or revocation for reasons other than nonpayment of fees or failure to comply with continuing professional educational requirements in another state.

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

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

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

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

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

(3) The practice privilege afforded under this section or any other section shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm

holding a permit issued under section 1-136.

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

**Sec. 6.** Section 1-136.02, Revised Statutes Cumulative Supplement, 2024, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

(b) At the time of the application for a permit, the applicant, within the ten years immediately preceding application, met the ~~meets an~~ experience requirement in subsection (1) subdivision (1)(b) of this section.

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

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

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

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

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

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

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

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

(7) Cancellation, revocation, suspension, or refusal to renew authority to

practice as a certified public accountant or a public accountant in any other state, for any cause other than failure to pay a registration fee in such other state;

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

(9) Failure of a certificate holder or registrant to obtain a permit issued under section 1-136, within either (a) three years from the expiration date of the permit last obtained or renewed by the certificate holder or registrant or (b) three years from the date upon which the certificate holder or registrant was issued his or her certificate or registration if no permit was ever issued to him or her, unless under section 1-136 such failure was excused by the board pursuant to section 1-136.

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

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

(1) Issuance of censure or reprimand;

(2) Suspension of judgment;

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

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

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

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

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

(8) Imposition of costs as in ordinary civil actions in the district court, which may include attorney and hearing officer fees incurred by the board and the expenses of any investigation undertaken by the board; or

(9) Dismissal of the action.

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

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