

WAC 4-30-057 Restrictions on CPA-inactive and CPA-retired. (1)

Introduction. Effective July 1, 2024, persons holding a license may renew their license in an inactive status. The purpose of this rule is to explain restrictions on the activities of persons while their license is in an inactive status, as well as persons who wish to use the title "CPA-retired."

(2) **CPA-inactive restrictions.** Persons holding an inactive license are prohibited from the practice of public accounting. RCW 18.04.025(9). The "practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. RCW 18.04.025(17).

(3) **CPA-inactive allowable activities.** Persons holding an inactive license may perform or offer to perform services in an employer-employee relationship in industry, government, nonprofit, or education, or uncompensated work such as a volunteer, trustee, director, or executor.

(4) **CPA-inactive prohibited activities.** Persons holding an inactive license may not perform or offer to perform public accounting services:

(a) As an independent contractor in industry, government, nonprofit, or education;

(b) For compensation as a trustee, director, or executor;

(c) As a sole practitioner offering to perform services for a client or potential client; or

(d) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(5) **CPA-inactive conversion to active status.** At any time, persons holding an inactive license may apply to convert their license status from inactive to active. See WAC 4-30-120.

(6) **CPA-inactive professional conduct rules.** Persons holding an inactive license are subject to the following rules for ethics and prohibited practices:

(a) Integrity and objectivity. See WAC 4-30-040;

(b) General standards. See WAC 4-30-046;

(c) Compliance with standards. See WAC 4-30-048;

(d) Accounting principles. See WAC 4-30-049;

(e) Acts discreditable. See WAC 4-30-052;

(f) Form of organization and name. See WAC 4-30-056;

(g) Other authorized titles. See WAC 4-30-058.

(7) **CPA-inactive continuing professional education (CPE).** Persons holding an inactive license have limited CPE requirements for renewal. See WAC 4-30-134. However, persons holding an inactive license are still required to maintain professional competence in all their allowable roles regardless of limited CPE requirements for renewal.

(8) **CPA-inactive restricted title use.** Persons holding an inactive license may only use the title "CPA-inactive" and are prohibited from using the titles "certified public accountant" or "CPA." Persons holding an inactive license may not perform any of the activities in

subsection (4) of this section regardless of whether or not they use the title "CPA-inactive."

(9) **CPA-retired.** Persons who have reached 60 years of age and hold a license in good standing in either an active or inactive status, may apply to retire their license. When their license is in a retired status, they may then use the title "CPA-retired."

(10) **CPA-retired allowable activities.** The title "CPA-retired" may be used when performing uncompensated services such as a volunteer, trustee, director, or executor.

(11) **CPA-retired prohibited activities.** Persons who have retired their license may not use the title "CPA-retired" to perform or offer to perform professional services:

(a) In an employer-employee relationship in industry, government, nonprofit, or education;

(b) As an independent contractor in industry, government, nonprofit, or education;

(c) For compensation as a trustee, director, or executor;

(d) As a sole practitioner offering to perform services for a client or potential client; or

(e) As part of a CPA firm either offering to perform services for a client or potential client or working in purely an administrative role.

For the purpose of this section, "compensation" does not include reimbursement of actual expenses or a limited per diem allowance for expenses.

(12) **Renewal out of retirement.** At any time, persons who have retired their license may apply to renew as an active licensee. See WAC 4-30-122.

(13) **CPA-retired restricted title use.** Persons who have retired their license are prohibited from using the titles "certified public accountant," "CPA," or "CPA-inactive." However, persons who have retired their license may perform any of the activities in subsection (11) of this section without use of the title "CPA-retired."

(14) **Lapsed licensees.** Persons with a lapsed license are prohibited from using the titles "CPA-inactive," "CPA-retired," as well as the titles "certified public accountant," or "CPA."

[Statutory Authority: RCW 18.04.055. WSR 25-04-084, s 4-30-057, filed 2/3/25, effective 3/6/25.]