



Alaska Society of CPAs  
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Jun Maiquis  
Regulations Specialist

Janey Hovenden  
Division Director

State of Alaska  
PO Box 110806  
Juneau, AK 99811

Dear Ms. Hovenden and Mr. Maiquis:

Thank you for your recent mailing regarding the proposed changes to the professional licensing fees for Certified Public Accountants (herein CPAs). As CPAs we can appreciate the State's current financial situation. However, the proposed fee changes represent an unprecedented increase in one renewal period and we question both the need and justification for increases at this level.

The Alaska Society of CPAs is a non-profit professional organization which represents approximately 460 CPAs licensed in our State. The majority of our members are Alaskan CPAs and own or are employed by Alaskan CPA firms. As such, we are concerned about the proposed fees. Examples which illustrate just how exorbitant these changes are, are listed below with the first number showing what CPAs pay now and the second number showing the fees under the proposed structure.

- First time CPA must pay \$390 (application fee of \$100 + initial licensing fee of \$290) compared to the proposed \$690 (application \$300 + licensing \$390). **A 77% increase.**

This is particularly concerning as new CPAs are often more economically challenged than a renewing, established CPA, as they are presumably just beginning their careers. Further, our profession is currently suffering from a decrease in new entrants. Please do not increase the fee so drastically that it creates an undue financial barrier to entry to our profession.

- Continuing CPA is \$290 to \$390. A 34% increase.
- Continuing CPA firm \$310 to \$530. **A 71% increase.** The state is announcing these fees at a time when the renewal deadline is less than 5 months away.

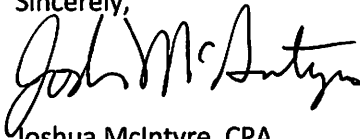
- Newly formed sole practitioner CPA firm (existing CPA individual plus new firm) \$700 to \$1,220. **A 74% increase.**
- Continuing sole practitioner CPA firm renewal (existing individual plus existing firm) \$600 to \$920. **A 53% increase.**
- An out-of-state firm pays \$900 under new proposal whereas an Alaskan sole practitioner CPA firm would pay \$920.

Historically, the minimum out-of-state firm licensing fee was determined, as the total of one in-state CPA license for an Individual plus one in-state Firm license. Under this arrangement, Alaskan CPAs were afforded the same fees (or, in some years, less expensive fees) as out-of-state firms who wished to practice here in Alaska and who were thus in direct competition with our local CPAs and their local Alaskan firms. Although the difference is minor, we are positive the Division did not mean to give out-of-state CPA firms an advantage over our local Alaskan CPA firms.

These increases seem especially exorbitant when you consider that the State is not planning to offer additional services for these fees. While we would prefer no increase, we understand that an increase may be necessary as costs increase. Young and established CPAs will be paying these fees.

We hope the State will give further thought to this proposal before these proposed license fee changes are adopted. We CPAs are helping all Alaskan businesses...our profession plays a critical role to ensure bank loans can be made, development proposals are completed adequately, proper tax planning is performed, as well as numerous other functions in our capacity as trusted business advisors.

Sincerely,



Joshua McIntyre, CPA  
President, Alaska Society of CPAs  
On behalf of the Board of Directors