

**AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
2011 SPRING MEETING OF AICPA COUNCIL  
INFORMATION FOR ASCPA MEMBERS**

The AICPA 2011 Spring Meeting of Council met in Washington, D.C. from May 22 through May 24, 2011. Representing the ASCPA at this Council meeting were Steve Moore and Bill Carr (AICPA Council), Lamar Reeves (Chair of the ASCPA Board), John Shank (Chair Elect of the ASCPA Board), Jimmy Williamson, Past Chair of the AICPA, Don McCleod and Mary Stone (Members-at-Large), Marty Abrams (Federal Key Person), and Jeannine Birmingham (President/CEO of the ASCPA). The following is a summary of the substantive issues addressed during the Council meeting.

**Capitol Hill Visits**

AICPA Council Members and Federal Key Persons met with their respective members of Congress. For the delegation from the ASCPA we met with the Congressmen and Senators from Alabama, or their Legislative Director. The focus of the meetings was on four critical legislative measures including mobile work force, a ban on tax strategy patents, alignment of tax return due dates and tax simplification.

- Mobile Work Force (AICPA Supports Proposal To Establish National Standard For Withholding State Income Taxes From Non-Resident Employees) - The AICPA is supporting the Mobile Work Force State Income Simplification Act of 2011, which was introduced by Representatives Howard Coble (R-NC) and Hank Johnson (D-GA). The bill would create a uniform national standard and limits state or local taxation of employee compensation for employees in more than one state or locality. Currently, states have widely divergent thresholds leading to employees having to file income tax returns in multiple states, and in some cases even if they worked there for only one day.
- A Ban on Tax Strategy Patents - The AICPA members have extensive experience in rendering advice to taxpayers on matters of tax planning and compliance. From this unique advantage point, we have considered the broad impact of tax planning patents on taxpayers, professional tax advisors and the public interest, and

have called for the end of the issuing of tax strategy patents by the Patent and Trade Mark Office.

- **Alignment of Tax Return Due Dates** - The AICPA position would require the filing of Form 1065 on March 15, Form 1120S on March 31, and Forms 1040, 1041 and 1120 on April 15. Extended due dates would be six months later for all of these forms except Form 1041, which would be extended five and a half months to September 30. This would alleviate the problems mentioned above by establishing a logical set of due dates focused on promoting a chronologically-correct flow of information between passthrough entities and their owners. It would promote the early filing of more business and personal returns, and relieve work load compression surrounding the September 15<sup>th</sup> business return deadline.
- **AICPA Position on Tax Simplification** - The AICPA has always advocated sound tax policy. The AICPA believes the tax laws should be simple enough to enable taxpayers to understand the rules that apply to their situation, and comply with them correctly and cost effectively. Simplicity reduces the number of errors, improves compliance, and increases respect for the system. Simplicity is also the basis for achieving many of the AICPA's other tax policy goals, including transparency, minimizing non-compliance, cost effective collection and payment convenience. These points were discussed with our federal representatives.

All of the above issues were discussed with specific "talking points" to provide additional information and insight to our Congressmen and Senators. The AICPA produced information that was left with each Congressman and Senator.

### **Creation of Management Accounting Credential and Joint Venture Unanimously Approved**

The AICPA governing Council unanimously approved a proposal to create the Chartered Global Management Accountant (CGMA) credential through a joint venture with the London-based Chartered Institute of Management Accountants (CIMA). Together the AICPA and CIMA will establish and promote the CGMA and advance the U.S. CPA as a worldwide standard of professional excellence in accounting. For our members in business, industry and government, in particular, who lead and serve on the front lines of financial operations at organizations around the world, this

credential will recognize your unique competencies and expertise and offers many benefits, including dedicated resources, a website and network of professionals as well as a competency self-assessment platform for ongoing professional development.

### **Melancon Updates Council on Professional Issues, Private Company Financial Reporting**

AICPA President and CEO, Barry C. Melancon, CPA, updated the governing Council on a number of professional issues, including the 2011 Trends in the Supply of Accounting Graduates and the Demand for Public Accounting Recruits, private company financial reporting and technology effects on the profession.

### **Audit Quality Centers Continue Growth; Increase Quality**

Sue Coffey, CPA, AICPA Senior Vice President - Member Quality and International Affairs, provided an update on the audit Quality Centers. Both centers, which have seen remarkable growth since their creation in 2003, are aimed at increasing the quality of audits in employee benefit plans and entities subject to government auditing standards. Coffey stated that there is no question that firms that commit to quality and become members of the Audit Quality Centers perform higher quality audits, with 99% of members saying the resources provided are useful. Members also rate the value of their membership very highly. More importantly, the reaction from Federal Inspectors General and the Department of Labor is extremely positive.

### **Awards Presented for Accounting Education and Public Service**

Dale Flesher, Associated Dean at the Patterson School of Accountancy at the University of Mississippi, was presented the 2011 Distinguished Achievement in Accounting Education Award. The award recognizes full-time college accounting educators distinguished for excellence in teaching and for national prominence in the accounting profession.

The CPA firm of Battelle & Battelle LLP, of Dayton and Troy, Ohio, received the 2010 Public Service Award for Firms for its commitment to the community. The annual award honors once firm that has demonstrated outstanding public service.

John W. Dean, CPA/ABV, received the 2010 Public Service Award for his commitment to the community. The annual award recognizes members of the AICPA who have made significant contributions to their communities.

There were several "business issues" of Council that were presented during the course of the meeting, but the points summarized above were those deemed of primary interest to the ASCPA Members.

Respectfully submitted,

Steve Moore  
Bill Carr

June 6, 2011