

**Office of Chief Counsel  
Internal Revenue Service**

**memorandum**

CC:PA:B2:KMattonen  
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date: April 4, 2008

to: Director  
Office of Professional Responsibility  
Attn: Michael Hahn

from: Special Counsel to the Associate Chief Counsel  
(Procedure & Administration)

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subject: Practice by Oklahoma Public Accountants

This memorandum responds to your inquiry regarding practice before the Internal Revenue Service (IRS) by Oklahoma public accountants.

ISSUE

Whether individuals who hold current public accountant licenses in Oklahoma, but who are not certified public accountants (CPAs), are eligible to practice before the IRS by virtue of their public accountant status?

CONCLUSION

Yes. Section 500(c) of title 5 of the United States Code and its regulations provide that an individual who is duly qualified to practice as a CPA in any State, territory, or possession of the United States or the District of Columbia may represent a person before the IRS. Under Oklahoma law, persons who are licensed public accountants have the same rights and privileges as CPAs. Thus, for purposes of Circular 230, a public accountant who holds a license to practice public accounting in Oklahoma is eligible to practice before the IRS by virtue of his public accountant license.

FACTS

Two categories of individuals may receive a certificate or license to practice public accounting in Oklahoma: CPAs and public accountants.<sup>1</sup>

LAW AND ANALYSIS

Section 500 of title 5 of the United States Code sets forth the general rules for practicing

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<sup>1</sup> According to the Oklahoma Accountancy Board, as of March 11, 2008, seventy four persons hold public accountant licenses in Oklahoma. All of the licenses are active.

before United States administrative agencies. Paragraph (c) of this section provides that an individual who is duly qualified to practice as a CPA in a State may represent a person before the IRS by filing with the agency a written declaration that he is currently qualified as provided by this subsection and is authorized to represent the particular person in whose behalf he acts. The regulations governing practice before the IRS, Circular 230, mirror 5 U.S.C. § 500(c). Section 10.2(b) of Circular 230 defines a CPA, in relevant part, as any person who is duly qualified to practice as a CPA in any State. Section 10.3(b) further provides that any CPA who is not currently under suspension or disbarment from practice before the IRS may practice before the IRS by filing with the IRS a written declaration that he or she is currently qualified as a CPA and is authorized to represent the party or parties on whose behalf he or she acts.

The phrase "qualified to practice as a CPA" suggests that the authority to practice before the Service under 5 U.S.C. § 500(c) is not limited to persons who are CPAs in fact, but includes those persons who the State has authorized to perform the same services as CPAs.

Under Oklahoma law, a person may not engage in the practice of public accounting without a current permit. Okla. Stat. tit. 59, §15.14A (2008). Permits to engage in the practice of public accounting are issued to persons who hold a current certificate as a CPA or a license as a public accountant. *Id.* A CPA is defined as "any person who has received a certificate from the Board or other jurisdictions." Okla. Stat. tit. 59, §15.1A (10)(2008). A public accountant is defined as "any individual who has received a license from the Board." Okla. Stat. tit. 59, §15.1A (35)(2008).

The Oklahoma Accountancy Board (the Board) grants initial certificates and licenses to any person who is of good moral character, has successfully passed the required examinations, has completed one thousand eight hundred hours of practical experience, and meets the education requirements set forth in §10:15-18-2 of the Oklahoma administrative code. Okla. Admin. Code § 10:15-3-2, 10:15-3-3. (2008). Oklahoma requires successful completion of the entire CPA's examination for issuance of a certificate, while a license will be issued only if the applicant earns at least a seventy-five percent score on at least three sections of the CPA examination. Okla. Stat. tit. 59, §15.9 (2008).

CPAs and public accountants possess the same rights and responsibilities. For instance, any CPA or public accountant holding a valid permit may perform assurance services, including audit services, and issue reports required by any statute, charter, ordinance, trust or other legal instrument. Okla. Stat. tit. 59, §15.36 (2008). In addition to providing the same services as CPAs, licensed public accountants must comply with the same continuing professional education requirements.<sup>2</sup> Okla. Stat. tit. 59, §15.35 (2008); Okla. Admin. Code § 10:15-30-5 (2008).

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<sup>2</sup> CPAs and licensed public accountants must document at least 120 hours of acceptable continuing education in any three year reporting period, with a minimum of 20 hours per calendar year. *Id.*

Licensed public accounts are also subject to the same ethical standards and the same standards of independence, competence, integrity and objectivity, auditing standards, accounting principles and other technical standards as CPAs. Okla. Admin. Code § 10:15-39-1 (2008). Further, licensed public accountants and CPAs are subject to peer review and the same procedures and sanctions imposed upon CPAs for wrongdoing. Okla. Stat. tit. 59, §15.30, 15.23, 15.24, 15.26 (2008).

Licensed public accountants in the State of Oklahoma have the same rights, privileges and responsibilities as CPAs. Thus, any person who holds a current public accountant's license in the state of Oklahoma and has obtained the permit required to practice public accounting in Oklahoma is, for practical purposes, a CPA and is eligible to practice before the IRS.

This writing may contain privileged information. Any unauthorized disclosure of this writing may undermine our ability to protect the privileged information. If disclosure is determined to be necessary, please contact this office for our views.

If you have any questions, please contact this office at 202-622-3400.

cc: Associate Chief Counsel (General Legal Services)  
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