

### CalCPA Members are Your Local CPAs

We dedicate our time and talents to support the communities where we live and work. We do this because CalCPA members are more than just CPAs—we are California CPAs. We believe it is our duty to invest in our state by directly engaging with our shared community. Below is an overview of issues of interest to CalCPA members.

**To access details and resources related to these issues, please scan the QR code or visit [www.calcpa.org/cpaday](http://www.calcpa.org/cpaday).**



- **125 Years of Trust & Advancing the Public Interest**

This year marks the 125th anniversary of California establishing public accounting as a licensed profession overseen by the California Board of Accountancy (CBA).

To mark this milestone, **Sen. Niello** introduced **Senate Concurrent Resolution 111**. We ask the Legislature to join in recognizing the CPA profession and the CBA for advancing the public interest.

- **Building Confidence in Sustainability Reporting and AI Systems**

California is advancing policies in emerging areas like sustainability reporting and artificial intelligence. Building trust in these systems includes assurance frameworks—like those long used by the CPA profession—that provide consistent, reliable, and comparable information.

As audit and assurance requirements are considered, we encourage policymakers to build on the CPA profession's proven framework and take a measured approach that recognizes these areas are still evolving, while avoiding models that weaken confidence by relying on providers without comparable independence, professional standards, or regulatory oversight.

- **Addressing Stranded Pass-Through Entity Tax Credits**

California has improved the Pass-Through Entity Tax (PTET) to help taxpayers manage federal SALT limits, including extending the program and adding flexibility to payment deadlines. One challenge remains: stranded PTET credits, which can discourage participation and undermine the policy's effectiveness and revenue stability.

We encourage targeted refinements, such as extending the use period for PTET credits or allowing refundability to give taxpayers more flexibility, improve predictability, and preserve the PTET's revenue-neutral design.

- **What's Top of Mind for CPA Leaders**

CPAs operate at the intersection of business, consumer, and financial decision-making, giving them a practical, real-world view of how policies play out and help identify workable solutions for California's businesses, governments, nonprofits, and communities.

We encourage you to connect with local CalCPA members for objective insight into how policy proposals may affect the communities you represent.

Should you have any questions on these or other issues that emerge, **please contact CalCPA's Advocacy team at (916) 441-5351 or CalCPA.GR@calcpa.org**. Thank you for the opportunity to meet, and we look forward to working together.

**Issue:** This year marks the 125th anniversary of California establishing public accounting as a licensed profession overseen by the California Board of Accountancy (CBA). This milestone recognizes how CPAs—under CBA oversight—have helped build trust, accountability and integrity across California's economy and public institutions for more than a century.

**Ask:** To mark this milestone, **Sen. Roger Niello** introduced **Senate Concurrent Resolution 111**. We ask the Legislature to join in honoring the profession and the CBA for more than a century of advancing the public interest—and for their continued work to support a strong, modern and trusted profession that is ready to meet California's needs and serve the public interest for generations to come.

### 125 Years of Impact: How CPAs Support Californians Every Day

#### Keeping Numbers Honest Since 1901

Under the oversight of the California Board of Accountancy, California's CPA profession had the public interest at its core by upholding high standards of ethics, competence and accountability. CPAs help ensure the information behind businesses, nonprofits and government programs is accurate and reliable—so people can trust the systems they rely on every day.

#### Supporting Life's Biggest Moments

From buying a home and starting a small business to saving for college or retirement, CPAs help individuals, families and organizations make informed financial decisions when it matters most. During times of challenge or economic uncertainty, CPAs provide steady guidance to help people navigate change, manage risk and move forward with confidence.

#### Powering California's Economy

With more than 115,000 CPA licensees, California has one of the largest and most diverse CPA communities in the nation. CPAs work alongside businesses, nonprofits and public agencies to manage cash flow, follow the rules, plan ahead and navigate complex tax systems—supporting jobs, investment and economic stability in communities across the state.

#### More Than the Numbers

Today's CPAs are trusted advisers and problem solvers who help organizations make smart decisions—from business strategy and finances to taxes and long-term planning. They're also helping bring accountability to areas like technology, sustainability, AI and cybersecurity—where public trust matters more than ever.

#### Built for What's Next

For 125 years, CPAs have helped Californians trust the systems that make everyday life work. Today, they're also training the next generation, modernizing the profession and ensuring California has the trusted expertise it needs for the future. With strong consumer protections, modern regulation and a commitment to ethics and innovation, the CPA profession is well-positioned to continue serving the public interest for generations to come.

**Issue:** California is moving forward with policies in emerging areas such as sustainability reporting and artificial intelligence. As decisions increasingly rely on complex and non-financial data, policymakers and the public are focused on how to build trust in these new systems. Well-designed assurance frameworks, like those long used by the CPA profession, help provide information that is consistent, reliable, and comparable.

**Ask:** As California considers audit and assurance requirements for sustainability reporting, AI and other emerging areas, we encourage policymakers to build on the CPA profession's proven assurance framework that has supported trust in financial reporting for years. We also encourage an approach that recognizes these areas are still evolving and avoids weakening confidence by allowing providers that lack comparable independence, ethical and professional standards, and regulatory oversight.

### Building Confidence in Sustainability Reporting and AI Systems

#### Assurance Performed Correctly Matters

Sustainability reporting and creditability of AI systems shape decisions for consumers, investors, regulators and communities. Assurance only works if the information produced is trustworthy, comparable and useful. When assurance isn't designed well, it can create confusion, inconsistent results and weaken, rather than strengthen, public trust.

#### A Proven, Plug-and-Play Framework

The CPA profession already works within a trusted and well-understood regulatory framework. It includes strong licensing requirements, independence and ethics rules, professional standards, quality controls, and regulatory oversight. This framework has protected the public interest in financial reporting for generations—and it's well suited to be applied to new, non-financial areas where trust matters just as much.

#### Emerging Areas Need a Thoughtful Approach

Sustainability assurance has really taken shape over the past decade, and AI assurance is still emerging. Standards, criteria and assessment methods are continuing to develop, and expectations around scope and assurance levels are still being defined. Taking a measured approach that allows these areas time to mature helps ensure quality and consistency. Moving too quickly, before frameworks are ready, can undermine the goals assurance is meant to achieve.

#### California Is Already Taking a Responsible Path

The CPA profession is working with the California Air Resources Board on implementing the SB 253 climate disclosure assurance requirements, focusing on recognized standards, practical implementation and producing reliable, decision-useful information for regulators and the public. This collaborative, phased approach provides a strong blueprint for how assurance in emerging areas—like AI systems—can be developed thoughtfully and effectively over time.

#### Building Trust the Right Way

California doesn't need to create a new trust model for sustainability or AI—we already have one. By building on the CPA profession's proven assurance framework and allowing standards to mature, policymakers can protect consumers, support better decision-making and advance the public interest.

**Issue:** California has made meaningful improvements to the Pass-Through Entity Tax (PTET), recognizing its importance for taxpayers navigating the federal limits on state and local tax (SALT) deductions. With greater clarity on federal tax rules, California is taking the right next steps by extending the PTET and adding flexibility to the payment deadline, giving taxpayers more certainty and making the program easier to use. However, one challenge remains: stranded PTET credits, which can lead taxpayers to opt out of the PTET altogether—undercutting the policy's effectiveness and potentially creating challenges for state revenue stability and budget planning.

**Ask:** Building on the state's earlier improvements, we encourage refinements to the PTET. In particular, extending the period during which PTET credits can be used or allowing refundability—approaches used by most states—which would give taxpayers more flexibility to manage stranded credits, make the PTET more practical and predictable, and preserve its revenue-neutral design.

### Making the PTET Successful for the Long Term

#### PTET Supports Taxpayer Without Harming State Revenues

The PTET has been a win-win for the state. It gives taxpayers a practical way to manage their state income taxes and reduce the impact of federal SALT limits. This has provided significant taxpayer relief without any negative impact on state revenue.

#### Opportunities to Simplify Compliance & Add Flexibility

CalCPA members have worked closely with taxpayers of all sizes to apply the current PTET framework in real-world situations. That hands-on experience—combined with a deep understanding of the challenges facing California businesses—gives the CPA profession a practical perspective on how the PTET is working. It has also helped identify opportunities to streamline certain provisions so the PTET delivers the full benefit it was intended to provide.

#### Good Progress Has Been Made

Over the years, the Legislature has made meaningful improvements to the PTET, including extending the framework and fixing the rigid payment deadline that previously made it difficult to elect into the program. These changes have been well received by taxpayers and tax practitioners and have made the PTET more workable and predictable. While recent federal changes have eased the impact of SALT limitations, many California taxpayers are still affected, and the PTET remains an important tool for managing state tax compliance.

#### Recommendation: Address Stranded Tax Credits

While PTET credits can be carried forward, they are not refundable and expire after a set period. This creates uncertainty and makes tax planning more difficult, especially for taxpayers with fluctuating incomes. Over time, credits can accumulate resulting in stranded credits that risk expiring before they can be fully used. This added complexity can discourage participation, with some taxpayers opting out of the PTET or receiving only part of the intended benefit.

We recommend extending the period in which PTET credits can be used or allowing future credits to be refundable in the year the tax is paid. These options would make the PTET more practical and predictable for taxpayers, while remaining consistent with the program's revenue-neutral design by preventing overpayments beyond actual state tax liability.

**Issue:** CPAs sit at the intersection of business, consumer and financial decision-making, giving them a unique, real-world view of how policies work in practice. With deep technical expertise and independent judgment, CPAs help make sense of complex issues, identify practical solutions and anticipate impacts on businesses, governments, nonprofits and communities across California.

**Ask:** We encourage you to consider the CPA profession as a resource. Connecting with local CalCPA members can provide objective, real-world insight into how policy proposals may affect constituents, businesses and communities you represent.

### A Trusted, Real-World Resource for Policymakers

#### Building the CPA Pipeline

**Thank you to legislative leaders for advancing last year's AB 1175 (Irwin),** an important step in modernizing CPA licensure and expanding access to the profession.

Building on this momentum, CalCPA is investing in the CPA pipeline through expanded student outreach, scholarships and resources that support aspiring CPAs to ensure the CPA profession remains well positioned to serve California's communities for years to come.

#### Business Climate & Policy Uncertainty

As uncertainty complicates the business climate, businesses of all sizes turn to their CPAs for insight and guidance on how legislative and regulatory proposals may impact their operations. More often, those conversations include whether to scale back investment in California or leave the state altogether.

Proposals such as a wealth tax being considered for the ballot add to this uncertainty—even for taxpayers who are not directly impacted. CPAs advising taxpayers of all sizes are already fielding questions and concerns about the practical implications of such a proposal, as well as the broader economic risks of discouraging investment and putting long-term jobs and revenue at risk.

For CalCPA members rooted in communities across the state, this is a troubling trend, and before advancing policies that affect business operations, we encourage policymakers to connect with local CalCPA members for a practical, real-world perspective on how proposals will impact businesses and jobs in their districts.

#### Continuing to Advance Personal Financial Education

CalCPA supports financial education efforts that help Californians make informed, confident decisions about their money—whether they're managing day-to-day finances, planning for the future or navigating economic uncertainty. Through educational materials, workshops, and access to CPA subject-matter experts, CalCPA partners with community leaders to deliver financial education at district events and community forums. These efforts help build core financial skills support long-term economic well-being across California.

To view CalCPA's financial education resources and find out how to coordinate a workshop, please visit [calcpa.org/public-resources/financial-literacy](http://calcpa.org/public-resources/financial-literacy)



## Understanding the Role of Today's CPAs

Today's CPAs aren't backroom, boring, number-crunchers who pop up during tax or audit season. They're strategic partners, helping to tackle dynamic challenges and shape informed decisions. CPAs see the big picture and help make sense of what comes next.

You'll find CPAs in every corner of the business world—from advising small, family-owned companies to guiding Fortune 500 giants. They hold C-suite roles in businesses and nonprofits, uncover financial wrongdoing, and keep markets trustworthy by providing reliable data. They're also at the forefront of innovation, leveraging new technologies and leading the way in areas like sustainability reporting, AI, and cybersecurity.

Modern CPAs are the trusted advisors, valued employees, and essential experts who drive economic growth and build trust in our financial systems. They protect the public interest and help create a stronger, more secure future for everyone.

### A Trusted Partner From Insight, To Impact



Auditing &  
Assurance



Tax Planning &  
Preparation



Management &  
Business Consulting



Financial Planning  
Services



Executive  
Leadership Roles



Forensic  
Accounting

**C**ertified: In California, CPAs are licensed by the California Board of Accountancy after showing proficiency by meeting comprehensive educational requirements, passing a rigorous professional examination, demonstrating ethical competency, and completing practical experience.

**P**ublic: Protection of the public interest is the cornerstone of the CPA profession. For any given client service, a CPA must keep up to date and apply multiple complex accounting standards by industry and adhere to a code of professional conduct, ethical standards of practice and applicable statutes and rules.

**A**ccountant: CPAs have the knowledge, expertise and perspective to make sense of the complex challenges facing their clients and provide objective information for practical solutions. CPAs provide the tools, resources and reassurance that allow businesses, non-profits, families, and governments to focus on what they do best—with peace of mind that their finances are in good hands.

## A Profession that is Evolving



**The CPA profession today looks different - their faces are more diverse, their work is more dynamic, and their services are more impactful and growing in demand.**



Through various programs and partnerships, CalCPA is working to support this evolving profession to meet the needs of aspiring CPAs, capital markets, and the public. We are working to inspire diverse and talented individuals to become CPAs and empower them to thrive within the profession.



We've launched a campaign to spotlight the modern CPA—so everyone sees them for who they are—**trusted, strategic partners who are invaluable to people, organizations, and businesses.**



We're also paving the way for national efforts to modernize the process of entering the profession. In partnership with regulators, we created a blueprint to modernize the CPA licensure framework in a way that offers more inclusive, flexible pathways that align with today's realities and market demands.

We're supporting CPA leaders who embrace new ideas, challenge outdated models, and find new ways to empower personal and professional growth and create an engaging professional experience that would be at the top of any aspiring professional's list.

## About CalCPA

CalCPA members are a diverse and dynamic group of nearly 40,000 professionals representing public accounting, business & industry, education, government, and more. They are innovative, strategic, and always ready to embrace and lead change. Together, CalCPA members increase the value and promote the integrity of the CPA profession, and strengthen client, employer, public, and government trust.



**To learn more,  
visit [CalCPA.org](https://CalCPA.org)**



# The Members Club for California's CPAs

## CalCPA Promise

The leadership the CPA profession needs for change and the knowledge and connections you need for what's next.

## CalCPA Purpose

CalCPA proactively drives evolution within the accounting profession through promoting business growth and integrity, protecting public interests and positively impacting community—delivering a better future for all.

## Strategic Priorities

- **Shift the Identity**—Raise awareness, redefine image and showcase the accounting and finance profession.
- **Transform the Career Experience**—Lead in the transformation of the career experience of CPAs and accounting/finance professionals.
- **Create Super Fans**—Create super fans of everyone who interacts with CalCPA.
- **Operate with Excellence**—Operate at the highest level of strategic, business and operational excellence.

## Who we are

CalCPA members are a diverse and dynamic group of nearly 40,000 professionals representing public accounting, business & industry, education, government, and more. They are innovative, strategic, and always ready to embrace and lead change. Together, CalCPA members increase the value and promote the integrity of the CPA profession, and strengthen client, employer, public, and government trust.

## Chapters

CalCPA's 14 local chapters across California facilitate opportunities for members to connect as a community, expand their network, and grow as professionals.

• Bakersfield	• Inland Empire	• San Diego
• Central Coast	• Los Angeles	• San Francisco
• Channel Counties	• Orange County/Long Beach	• San Joaquin
• East Bay	• Peninsula Silicon Valley	• Silicon Valley San Jose
• Fresno	• Sacramento	

## CalCPA Leadership



**CalCPA Chair**  
Jillian N. Phan, CPA



**First Vice Chair**  
Miklos Ringbauer, CPA



**Secretary/Treasurer**  
Erin Roche, CPA



**Past Chair**  
Matthew Martin, CPA



**CalCPA President & CEO**  
Denise LeDuc Froemming, CPA