

STATE OF NEBRASKA



PUBLIC ACCOUNTANCY ACT AS AMENDED

September 2019

**Nebraska State Board of Public Accountancy
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PUBLIC ACCOUNTANCY ACT OF 1957

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PUBLIC ACCOUNTANCY ACT, AS AMENDED

DISCLAIMER. The statutes presented here are intended to be exact and accurate reproductions of the statutes found in the Revised Statutes of Nebraska. However, they may not include all the revisions and changes, and errors may be present as a result of the reproduction process. It is recommended that the user consult the Revised Statutes of Nebraska and appropriate supplements for accuracy.

1-101. Repealed. Laws 1957, c. 1, § 65.

1-102. Repealed. Laws 1957, c. 1, § 65.

1-103. Repealed. Laws 1957, c. 1, § 65.

1-104. Repealed. Laws 1957, c. 1, § 65.

1-105. Act, how cited. Sections [1-105](#) to [1-171](#) shall be known and may be cited as the Public Accountancy Act.

Source: Laws 1957, c. 1, § 64, p. 78; Laws 1991, LB 75, § 14; Laws 1994, LB 957, § 7; R.S.Supp.,1996, § 1-169; Laws 1997, LB 114, § 1; Laws 2009, LB31, § 1; Laws 2015, LB159, § 1.

1-105.01. Nebraska State Board of Public Accountancy; purpose. It is the purpose of the Nebraska State Board of Public Accountancy to protect the welfare of the citizens of the state by assuring the competency of persons regulated under the Public Accountancy Act through (1) administration of certified public accountant examinations, (2) issuance of certificates and permits to qualified persons and firms, (3) monitoring the requirements for continued issuance of certificates and permits, and (4) disciplining certificate and permit holders who fail to comply with the technical or ethical standards of the public accountancy profession.

Source: Laws 1984, LB 473, § 1; Laws 1997, LB 114, § 2.

Annotations: The rules of the Nebraska State Board of Public Accountancy allow the board to both restrict advertising and require the use of a disclaimer by inactive registrants. *Walsh v. State*, 276 Neb. 1034, 759 N.W.2d 100 (2009).

The Nebraska State Board of Public Accountancy may use its rulemaking authority under section 1-112 to promulgate standards and procedures whereby the character and fitness of an applicant for initial certification may be considered by the board in determining whether the applicant is a qualified person under this section. *Troshynski v. Nebraska State Bd. of Pub. Accountancy*, 270 Neb. 347, 701 N.W.2d 379 (2005).

1-106. Terms, defined.

For purposes of the Public Accountancy Act, unless the context otherwise requires:

- (1) Board means the Nebraska State Board of Public Accountancy;
- (2) Certificate means a certificate issued under sections [1-114](#) to [1-124](#);
- (3) Firm means a partnership, limited liability company, or corporation engaged in the practice of public accountancy in this state entitled to register with the board or a proprietorship engaged in the practice of public accountancy in this state;
- (4) Partnership includes, but is not limited to, a limited liability partnership;
- (5) Peer review means a review of one or more aspects of the professional work of a firm that either or both performs attest engagements or performs compilations by an active certified public accountant who is the holder of a permit issued under subdivision (1) (a) of section 1-136 or the equivalent issued by another state and who is not affiliated with the firm being reviewed;
- (6) Permit means a permit to engage in the practice of public accountancy in this state issued under section [1-136](#);

(7) Practice privilege means the privilege of an accountant to practice public accountancy or hold himself or herself out as a certified public accountant in this state in accordance with section [1-125.01](#);

(8) State means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States; and

(9) Temporary practice privilege means the privilege of a foreign accountant to temporarily practice public accountancy in this state in accordance with section [1-125.02](#).

Source: Laws 1957, c. 1, § 1, p. 55; Laws 1991, LB 75, § 1; Laws 1997, LB 114, § 3; Laws 2009, LB31, § 2; Laws 2015, LB159, § 2.

1-107. Nebraska State Board of Public Accountancy; creation; membership; appointment; qualifications; terms; vacancies; removal; reappointment.

There is hereby created the Nebraska State Board of Public Accountancy. The board shall consist of eight members appointed by the Governor.

Six members of the board shall be holders of permits issued under subdivision (1)(a) of section [1-136](#), and two members of the board shall be laypersons.

All members of the board shall be citizens of the United States and residents of Nebraska. Two of the members of the board, who are holders of permits, shall reside in each congressional district. Two members shall be appointed to the board each year for terms of four years. Vacancies occurring during a term shall be filled by appointment for the unexpired term. Upon the expiration of his or her term of office a member shall continue to serve until his or her successor has been appointed and qualified. The Governor shall remove from the board any member whose permit has become void or has been revoked or suspended and may, after hearing, remove any member of the board for neglect of duty or other just cause. No person who has served two complete terms of four years shall be eligible for reappointment. Appointment to fill an unexpired term shall not be considered a complete term.

Source: Laws 1957, c. 1, § 2, p. 55; Laws 1961, c. 1, § 1, p. 59; Laws 1971, LB 858, § 1; Laws 1979, LB 414, § 1; Laws 1981, LB 92, § 1; Laws 1984, LB 473, § 2; Laws 1997, LB 114, § 4.

1-108. Board; chairperson; rules and regulations; quorum; seal; records. The board shall elect annually a chairperson from its members. The board shall receive and account for all fees and other money received by it under the Public Accountancy Act. The board may adopt and promulgate rules and regulations for the orderly conduct of its affairs and the administration of the act. A majority of the members of the board shall constitute a quorum for the transaction of business. The board shall adopt a seal. The board shall keep records of its proceedings, and in any proceedings in court, civil or criminal, arising out of or founded upon any provision of the act, copies of such records certified as correct under the seal of the board shall be admissible in evidence as tending to prove the content of the records.

Source: Laws 1957, c. 1, § 3, p. 56; Laws 1997, LB 114, § 5.

1-108.01. Board; conflicts of interest; rules and regulations. The board shall adopt and promulgate rules and regulations which establish definitions of conflicts of interest for its members and which establish procedures to be followed in case such conflicts arise.

Source: Laws 1984, LB 473, § 3; Laws 1997, LB 114, § 6.

1-109. Board; annual register; contents; personnel; executive director; duties.

(1) In December of each year, the board shall make available for public distribution an annual register containing the names, arranged alphabetically by classifications, of all persons holding permits, the names of the members of the board, and such other matters as may be deemed proper by the board. The register shall be made available to each permit holder.

(2) The board shall employ an executive director, additional personnel, and any other assistance as it may require for the performance of its duties. Unless otherwise directed by the board, the executive director shall keep a record of all proceedings, transactions, and official acts of the board, be custodian of all the records of the board, and perform such other duties as the board may require.

Source: Laws 1957, c. 1, § 4, p. 57; Laws 1981, LB 92, § 2; Laws 1994, LB 1005, § 1; Laws 1997, LB 114, § 7; Laws 2009, LB31, § 3.

1-110. Board member; salary; expenses. Each member of the board shall be paid one hundred dollars for each day or portion thereof spent in the discharge of his or her official duties and shall be reimbursed for his or her actual and necessary expenses incurred in the discharge of his or her official duties as provided in sections [81-1174](#) to [81-1177](#). Such compensation and expenses shall be paid from the Certified Public Accountants Fund.

Source: Laws 1957, c. 1, § 5, p. 57; Laws 1961, c. 2, § 1, p. 61; Laws 1981, LB 204, § 1; Laws 1981, LB 92, § 3; Laws 1997, LB 114, § 8; Laws 2009, LB31, § 4.

1-111. Fees, costs, and penalties; collection; Certified Public Accountants Fund; created; use; investment; civil penalties; distribution.

(1) All fees collected under the Public Accountancy Act and all costs collected under subdivision (8) of section [1-148](#) shall be remitted by the board to the State Treasurer for credit to the Certified Public Accountants Fund which is hereby created. Such fund shall, if and when specifically appropriated by the Legislature during any biennium for that purpose, be paid out from time to time by the State Treasurer upon warrants drawn by the Director of Administrative Services on vouchers approved by the board, and such board and expense thereof shall not be supported or paid from any other fund of the state. Transfers may be made from the fund to the General Fund at the direction of the Legislature through June 30, 2011. Any money in the Certified Public Accountants Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) The board shall remit civil penalties collected under subdivision (5) of section [1-148](#) to the State Treasurer for distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

Source: Laws 1957, c. 1, § 6, p. 57; Laws 1969, c. 1, § 1, p. 61; Laws 1969, c. 584, § 24, p. 2356; Laws 1994, LB 957, § 2; Laws 1995, LB 7, § 1; Laws 1997, LB 114, § 9; Laws 2009, LB31, § 5; Laws 2009, First Spec. Sess., LB3, § 1.

Effective Date: November 21, 2009

Cross References: **Nebraska Capital Expansion Act**, see section [72-1269](#).
Nebraska State Funds Investment Act, see section [72-1260](#).

1-112. Board; professional conduct; rules and regulations. The board may adopt and promulgate rules and regulations of professional conduct appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy and to govern the administration and enforcement of the Public Accountancy Act. The rules and regulations shall be adopted and promulgated pursuant to the Administrative Procedure Act.

Source: Laws 1957, c. 1, § 7, p. 58; Laws 1993, LB 41, § 1; Laws 1997, LB 114, § 10.

Cross References : **Administrative Procedure Act**, see section [84-920](#).

Annotations: The Nebraska State Board of Public Accountancy may use its rulemaking authority under this section to promulgate standards and procedures whereby the character and fitness of an applicant for initial certification may be considered by the board in determining whether the applicant is a qualified person under section 1-105.01. *Troshynski v. Nebraska State Bd. of Pub. Accountancy*, 270 Neb. 347, 701 N.W.2d 379 (2005).

1-113. Advisory committee; membership.

(1) The board shall appoint an advisory committee consisting of at least seven members. A majority of the members shall be appointed as representatives of the postsecondary educational institutions of Nebraska engaged in the instruction of accounting and auditing, including the University of Nebraska, the Nebraska state colleges, and private universities and colleges. One member of the advisory committee shall be a certified public accountant who is a member of the board.

(2) The advisory committee shall meet at the direction of the board and shall advise the board upon the rules and regulations for section [1-116](#) relating to educational requirements. The board may also consult the advisory committee on any other issues which it deems appropriate.

Source: Laws 1991, LB 75, § 2; Laws 1997, LB 114, § 11.; Laws 2016, LB 853, § 1

1-114. Certificate as a certified public accountant; granted; qualifications.

(1) Prior to January 1, 1998, the board shall issue a certificate of certified public accountant to any person (a) who is a resident of this state or has a place of business therein or, as an employee, is regularly employed therein, (b) who has graduated from a college or university of recognized standing, and (c) who has passed a written examination in accounting, auditing, and such other related subjects as the board determines to be appropriate.

(2) On and after January 1, 1998, the board shall issue a certificate as a certified public accountant to any person (a) who is a resident of this state or has a place of business in this state or, as an employee, is regularly employed in this state, (b) who has passed an examination in accounting, auditing, and such other related subjects as the board determines to be appropriate, and (c) who has completed the educational requirements specified in section [1-116](#).

Source: Laws 1957, c. 1, § 9, p. 58; Laws 1963, c. 1, § 1, p. 59; Laws 1974, LB 811, § 1; Laws 1977, LB 290, § 1; Laws 1984, LB 473, § 4; Laws 1991, LB 75, § 3; Laws 1997, LB 114, § 12; Laws 2003, LB 214, § 1; Laws 2009, LB31, § 6.

Annotations: The term "shall" as used in this provision is permissive rather than mandatory. *Troshynski v. Nebraska State Bd. of Pub. Accountancy*, 270 Neb. 347, 701 N.W.2d 379 (2005).

1-115. Certified public accountant; examinations, when held; use of prepared questions and grading service. The examinations described in section [1-114](#) shall be held by the board and shall take place as often as the board determines to be desirable, but such examinations shall be held not less frequently than once each year. The board may make such use of all or any part of the Uniform Certified Public Accountants' Examination or Advisory Grading Service, or either of them, as it deems appropriate to assist it in performing its duties.

Source: Laws 1957, c. 1, § 10, p. 59; Laws 1976, LB 619, § 1; Laws 1984, LB 473, § 5; Laws 1991, LB 75, § 4.

1-116. Certified public accountant; examination; eligibility. Prior to January 1, 1998, a person shall be eligible to take the examination described in section [1-114](#) if he or she meets the requirements of subdivision (1)(a) of section [1-114](#).

Any person making initial application on or after January 1, 1998, to take the examination described in section [1-114](#) shall be eligible to take the examination if he or she

has completed at least one hundred fifty semester hours or two hundred twenty-five quarter hours of postsecondary academic credit and has earned a baccalaureate or higher degree from a college or university accredited by a regional accrediting agency recognized by the United States Department of Education or a similar agency as determined to be acceptable by the board. The person shall demonstrate that accounting, auditing, business, and other subjects at the appropriate academic level as required by the board are included within the required hours of postsecondary academic credit. A person who expects to complete the postsecondary academic credit and earn the degree as required by this section within sixty days following when the examination is held shall be eligible to take such examination, but such person shall not receive any credit for such examination unless evidence satisfactory to the board showing that such person has completed the postsecondary academic credit and earned the degree as required by this section is received by the board within ninety days following when the examination is held. The board shall not prescribe the specific curricula of colleges or universities. If the applicant is an individual, the application shall include the applicant's social security number.

Source: Laws 1957, c. 1, § 11, p. 59; Laws 1976, LB 619, § 2; Laws 1984, LB 473, § 6; Laws 1991, LB 75, § 5; Laws 1997, LB 114, § 13; Laws 1997, LB 752, § 49; Laws 1999, LB 346, § 1; Laws 2009, LB31, § 7, Laws 2014, LB 967.

1-117. Certified public accountant; completion of examination; additional requirements. Any person who has successfully completed the examination described in section [1-114](#) shall have no status as a certified public accountant unless and until he or she has the requisite experience and also has been issued a certificate as a certified public accountant.

Source: Laws 1957, c. 1, § 12, p. 59; Laws 1976, LB 619, § 3; Laws 1984, LB 473, § 7; Laws 1991, LB 75, § 6; Laws 1997, LB 114, § 14.

1-118. Certified public accountant; reexamination; waiting period.

(1) The board may by rule and regulation prescribe the terms and conditions under which a person who does not pass the examination may be reexamined. The board may also provide by rule and regulation for a reasonable waiting period for reexamination.

(2) A person shall be entitled to any number of reexaminations under section [1-114](#) subject to the rules and regulations of the board.

Source: Laws 1957, c. 1, § 13, p. 59; Laws 1976, LB 619, § 4; Laws 1984, LB 473, § 8; Laws 1991, LB 75, § 7; Laws 1997, LB 114, § 15; Laws 2003, LB 214, § 2; Laws 2009, LB31, § 8; Laws 2016, LB 853, § 1.

1-119. Certified public accountant; examination fee. The board shall charge a fee as established by the board not to exceed two hundred dollars for the examination provided for under the Public Accountancy Act. An applicant for the examination may be required to pay additional fees as charged by and remitted or paid to a third party for administering the examination, if required by the board.

Source: Laws 1957, c. 1, § 14, p. 60; Laws 1976, LB 619, § 5; Laws 1976, LB 961, § 1; Laws 1979, LB 278, § 1; Laws 1984, LB 473, § 9; Laws 1991, LB 75, § 8; Laws 1997, LB 114, § 16; Laws 2003, LB 214, § 3; Laws 2009, LB31, § 9; Laws 2016, LB 853, § 1.

1-120. Certified public accountant; reexamination fee. The board shall charge fees as established by the board for reexaminations under the Public Accountancy Act. Such fees shall not exceed fifty dollars for each subject in which a person is reexamined. An applicant for the reexamination may be required to pay additional fees as charged by and remitted or paid to a third party for administering the reexamination, if required by the board.

Source: Laws 1957, c. 1, § 15, p. 60; Laws 1976, LB 619, § 6; Laws 1979, LB 278, § 2; Laws 1984, LB 473, § 10; Laws 1991, LB 75, § 9; Laws 1997, LB 114, § 17; Laws 2003, LB 214, § 4; Laws 2009, LB31, § 10.

1-121. Certified public accountant; fees; when payable. The applicable fee shall be paid by the applicant at the time he or she applies for examination or reexamination.

Source: Laws 1957, c. 1, § 16, p. 60; Laws 1991, LB 75, § 10; Laws 1997, LB 114, § 18; Laws 2016, LB 853, § 1.

1-122. Certified public accountant; certificate; use of abbreviation C.P.A.; list. Any person who has been issued a certificate as a certified public accountant and who holds a permit issued under subdivision (1)(a) of section [1-136](#), which is in full force and effect, and any person who is classified as inactive under section [1-136](#), shall be styled and known as a certified public accountant and may also use the abbreviation C.P.A. The board shall maintain a list of active certified public accountants.

Source: Laws 1957, c. 1, § 17, p. 60; Laws 1984, LB 473, § 11; Laws 1997, LB 114, § 19; Laws 2009, LB31, § 11.

1-123. Repealed. Laws 2009, LB 31, § 43.

1-124. Certified public accountant; reciprocal certificate; waiver of examination; fee.

(1)(a) The board may, in its discretion, waive the examination described in section [1-114](#) and may issue a reciprocal certificate as a certified public accountant to any person who possesses the qualifications specified in subdivision (2)(a) of section [1-114](#) and section [1-116](#) and who is the holder of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state or is the holder of a certificate, license, or degree in a foreign country constituting a recognized qualification for the practice of public accountancy in such country, comparable to that of a certified public accountant of this state, which is then in full force and effect.

(b) The board shall waive the examination described in section [1-114](#) and the educational requirements specified in section [1-116](#) and shall issue a reciprocal certificate as a certified public accountant to any person who possesses the qualifications specified in subdivision (2)(a) of section [1-114](#), who is the holder of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state, who meets all other current requirements of the board for issuance of a certificate as a certified public accountant, and who, at the time of the application for a reciprocal certificate as a certified public accountant, has had, within the ten years immediately preceding application, at least four years' experience in the practice of public accountancy specified in subsection (1) of section [1-136.02](#).

(2) The board shall charge each person obtaining a reciprocal certificate issued under this section a fee as established by the board not to exceed four hundred dollars.

Source: Laws 1957, c. 1, § 19, p. 60; Laws 1976, LB 619, § 7; Laws 1976, LB 961, § 2; Laws 1977, LB 290, § 2; Laws 1979, LB 278, § 3; Laws 1984, LB 473, § 12; Laws 1991, LB 75, § 11; Laws 1997, LB 114, § 21; Laws 2003, LB 214, § 5; Laws 2007, LB24, § 1.

1-125. Repealed. Laws 2009, LB 31, § 43.

1-125.01. Certified public accountant in another state; practice privilege; conditions; limitations.

(1) A person who does not hold a certificate as a certified public accountant or a permit issued under subdivision (1)(a) of section [1-136](#) and who possesses an active permit, certificate, or license which allows the person to engage in the practice of public accountancy as a certified public accountant in another state and whose principal place of business is outside this state shall have all the practice privileges of a certified public accountant who

holds a permit issued under subdivision (1)(a) of section [1-136](#), including the use of the title or designation certified public accountant or C.P.A., without the need to hold a certificate or a permit issued under subdivision (1)(a) of section [1-136](#), or to notify or register with the board or pay any fee. However, a person is not eligible to exercise the practice privilege afforded under this section if the person has a permit, certificate, or license under current suspension or revocation for reasons other than nonpayment of fees or failure to comply with continuing professional educational requirements in another state.

(2) Any person of another state exercising the practice privilege afforded under this section and any partnership, limited liability company, or other allowed entity of certified public accountants which employ that person hereby simultaneously consent, as a condition of the exercise of the practice privilege:

(a) To the personal and subject-matter jurisdiction and disciplinary authority of the board;

(b) To comply with the Public Accountancy Act and the rules and regulations adopted and promulgated under the act;

(c) That in the event the authorization to engage in the practice of public accountancy in the state of the person's principal place of business is no longer valid, the person will cease offering or rendering professional services in this state individually and on behalf of the person's partnership, limited liability company, or other allowed entity of certified public accountants; and

(d) To the appointment of the state entity which issued the person's authorization to engage in the practice of public accountancy as the person's agent upon whom process may be served in any action or proceeding by the board against the person.

(3) The practice privilege afforded under this section or any other section shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm holding a permit issued under section [1-136](#).

(4) Any person who exercises the practice privilege afforded under this section and who, for any entity with its home office in this state, performs attestation services, may only do so through a firm or an affiliated entity which holds a permit issued under section [1-136](#).

Source: Laws 2009, LB31, § 12.

1-125.02. Foreign accountant; temporary practice privilege; conditions; limitations; fee.

(1) The board may, in its discretion, grant a person who holds a certificate, degree, or license in a foreign country constituting a recognized qualification for the practice of public accountancy in such country, and who does not hold a certificate or permit issued by this state or any other state and whose principal place of business is outside this state, the privilege to temporarily practice in this state on professional business incident to his or her regular practice outside this state, if such privilege to temporarily practice is conducted in conformity with the rules and regulations of the board.

(2) Any person of another country exercising the temporary practice privilege granted under this section and any partnership, limited liability company, or other allowed entity of certified public accountants which employ that person hereby simultaneously consent, as a condition of the grant of the temporary practice privilege:

(a) To the personal and subject-matter jurisdiction and disciplinary authority of the board;

(b) To comply with the Public Accountancy Act and the rules and regulations adopted and promulgated under the act;

(c) That in the event the authorization to engage in the practice of public accountancy in the country of the person's principal place of business is no longer valid, the person will cease offering or rendering professional services in this state individually and on behalf of the person's partnership, limited liability company, or other allowed entity of certified public accountants; and

(d) To the appointment of the board as his or her agent upon whom process may be served in any action or proceeding by the board against the person.

(3) The temporary practice privilege afforded under this section or any other section shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm who holds a permit issued under section [1-136](#).

(4) Any person who has been granted the temporary practice privilege afforded under this section and who, for any entity with its home office in this state, performs attestation services, may only do so through a firm or affiliated entity which holds a permit issued under section [1-136](#).

(5) Any person who has been granted the temporary practice privilege afforded under this section shall use only the title or designation under which he or she is generally known in his or her own country, followed by the name of his or her foreign country.

(6) The board shall charge each person who has been granted the temporary practice privilege afforded under this section a fee as established by the board not to exceed fifty dollars.

Source: Laws 2009, LB31, § 13.

1-126. Certified public accountant; partnership or limited liability company; registration; requirements. A partnership or limited liability company engaged in this state in the practice of public accountancy may register with the board as a partnership or limited liability company of certified public accountants if it meets the following requirements:

(1) At least one partner of the partnership or member of the limited liability company shall be a certified public accountant of this state in good standing;

(2) Each partner of the partnership who is a certified public accountant or member of the limited liability company who is a certified public accountant personally engaged within this state in the practice of public accountancy as a partner or member thereof shall be a certified public accountant of this state in good standing;

(3) Each partner of the partnership who is a certified public accountant or member of the limited liability company who is a certified public accountant shall be a certified public accountant of some state in good standing; and

(4) Each resident manager in charge of an office of the partnership or limited liability company in this state shall be a certified public accountant of this state in good standing.

An application for such registration shall be made upon the affidavit of a general partner of such partnership or a member of such limited liability company who is a certified public accountant of this state in good standing. The board shall in each case determine whether the applicant is eligible for registration.

A partnership or limited liability company which is so registered and which holds a permit issued under subdivision (1)(b) of section [1-136](#) may use the words certified public accountants or the abbreviation C.P.A.'s in connection with its partnership or limited liability company name.

Notification shall be given to the board, pursuant to board rules and regulations, regarding the admission to or withdrawal of a partner from any partnership or a member from any limited liability company so registered.

Source: Laws 1957, c. 1, § 21, p. 61; Laws 1993, LB 121, § 46; Laws 1994, LB 957, § 3; Laws 1997, LB 114, § 23; Laws 2009, LB31, § 14.

1-127. Repealed. Laws 1993, LB 41, § 7.

1-128. Repealed. Laws 1984, LB 473, § 27.

1-129. Repealed. Laws 1984, LB 473, § 27.

1-130. Repealed. Laws 1997, LB 114, § 65.

1-131. Repealed. Laws 1997, LB 114, § 65.

1-132. Repealed. Laws 1997, LB 114, § 65.

1-133. Repealed. Laws 2009, LB 31, § 43.

1-134. Public accountant; corporation; registration. A corporation organized pursuant to the Nebraska Professional Corporation Act which has a place of business in this state may register with the board as a corporation engaged in the practice of public accountancy. Application for such registration must be made upon the affidavit of an officer of such corporation. The board shall in each case determine whether the applicant is eligible for registration. A corporation which is so registered and which holds a permit issued under subdivision (1)(c) of section [1-136](#) may practice public accountancy and, in that connection, may use a corporate name which indicates, as a part of such name, that it is engaged in such practice.

Source: Laws 1957, c. 1, § 29, p. 64; Laws 1971, LB 858, § 2; Laws 1997, LB 114, § 25; Laws 2009, LB31, § 15.

Cross References: **Nebraska Professional Corporation Act**, see section [21-2201](#).

1-135. Public accountant; offices; registration; fee; manager. Each office established or maintained in this state for the practice of public accountancy in this state by a certified public accountant, by a partnership of certified public accountants or a limited liability company of certified public accountants registered under section [1-126](#), or by a corporation registered under section [1-134](#) shall be registered annually under the Public Accountancy Act with the board. The board shall charge an annual fee for the registration of each office as established by the board not to exceed one hundred dollars. The board shall by rule and regulation prescribe the procedure to be followed in effecting such registrations.

Each office shall be under the supervision of a manager who holds a permit issued under section [1-136](#) which is in full force and effect. Such manager may serve in such capacity at one office only, with the exception of a manager who is a sole owner of a firm or a sole proprietor, who may manage one additional office only. Such manager shall be directly responsible for the supervision and management of each office and may be subject to disciplinary action for the actions of the person or firm or any persons employed by each office of the person or firm within the State of Nebraska which relate to the practice of public accountancy.

Source: Laws 1957, c. 1, § 30, p. 64; Laws 1976, LB 961, § 3; Laws 1979, LB 278, § 4; Laws 1984, LB 473, § 16; Laws 1993, LB 121, § 48; Laws 1994, LB 957, § 5; Laws 1997, LB 114, § 26; Laws 2003, LB 214, § 6; Laws 2003, LB 258, § 1; Laws 2009, LB31, § 16.

1-136. Public accountant; permits; issuance; fees; failure to renew; effect; inactive list.

(1) Permits to engage in the practice of public accountancy in this state shall be issued by the board to (a) persons who are holders of the certificate of certified public accountant issued under sections [1-114](#) to [1-124](#) and who have met the experience requirements of section [1-](#)

[136.02](#), (b) partnerships and limited liability companies of certified public accountants registered under section [1-126](#), and (c) corporations registered under section [1-134](#) as long as all offices of such certificate holders or registrants in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#).

(2) (a) Except as provided in the case of permits subject to subdivision (2)(b) of this section, the board shall charge an annual permit fee as established by the board not to exceed one hundred fifty dollars. All permits subject to this subdivision shall expire on June 30 of each year and may be renewed annually for a period of one year by certificate holders and registrants in good standing upon payment of an annual renewal fee as established by the board not to exceed one hundred fifty dollars. The board may prorate the fee for any permit subject to this subdivision issued for less than one year.

(b) The board shall charge a biennial permit fee as established by the board not to exceed three hundred dollars for permits issued under subdivision (1)(a) of this section. All permits subject to this subdivision shall expire on June 30 of the first calendar year after the calendar year of issuance in which the age of the certificate holder or the registrant becomes divisible by two, and may be renewed biennially for a period of two years by certificate holders and registrants in good standing upon payment of a biennial renewal fee as established by the board not to exceed three hundred dollars. The board may prorate the fee for any permit subject to this subdivision issued for less than two years.

(3) Failure of a certificate holder or registrant to apply for a permit within (a) three years from the expiration date of the permit last obtained or renewed or (b) three years from the date upon which the certificate holder or registrant was issued a certificate or registration if no permit was ever issued to such person shall deprive him or her of the right to issuance or renewal of a permit unless the board, in its discretion, determines such failure to have been excusable. In such case the renewal fee or the fee for the issuance of the original permit, as the case may be, shall be such amount as established by the board not to exceed three hundred dollars.

(4) Any certificate holder or registrant who has not lost his or her right to issuance or renewal of a permit and who is not actively engaged in the practice of public accountancy in this state may file a written application with the board to be classified as inactive. A person so classified shall not be issued a permit or be deemed the holder of a permit but shall be carried upon an inactive roll to be maintained by the board upon the payment of an inactive fee as established by the board not to exceed fifty percent of the fee charged persons actively engaged in the practice of public accountancy as provided in this section. A person so classified shall not be deprived of the right to the issuance or renewal of a permit and may, upon application to the board and upon payment of the current permit fee, be issued a current permit.

Source: Laws 1957, c. 1, § 31, p. 65; Laws 1959, c. 1, § 1, p. 57; Laws 1976, LB 961, § 4; Laws 1977, LB 290, § 4; Laws 1979, LB 278, § 5; Laws 1981, LB 92, § 4; Laws 1984, LB 473, § 17; Laws 1986, LB 869, § 1; Laws 1993, LB 121, § 49; Laws 1997, LB 114, § 27; Laws 2003, LB 214, § 7; Laws 2009, LB31, § 17.

Annotations: A public accountancy "certificate holder or registrant who has not lost his or her right to issuance or renewal of a permit," who may be classified as inactive pursuant to subsection (4) of this section, is a person who is otherwise entitled to issuance of a permit under the requirements set forth in the Public Accountancy Act. *Forget v. State*, 265 Neb. 488, 658 N.W.2d 271 (2003).

1-136.01. Permit; renewal; professional development; rules and regulations.

(1) As a condition for renewal of a permit issued under subdivision (1)(a) of section [1-136](#), the board, pursuant to rules and regulations adopted and promulgated by the board, may require permit holders to furnish evidence of participation in professional development in accounting, auditing, or related areas for fifteen days within the preceding three calendar

years or, in order to facilitate the issuance of biennial permits as provided in subdivision (2)(b) of section [1-136](#), for ten days within the preceding two calendar years. The board may adopt and promulgate rules and regulations regarding such professional development.

(2) In determining compliance with the professional development requirement, the board may include credits earned during the current calendar year in addition to those earned in the preceding calendar years in which professional development is required under subsection (1) of this section. If such credits are included they shall not count toward the next succeeding permit renewal requirement.

Source: Laws 1971, LB 858, § 3; Laws 1979, LB 278, § 6; Laws 1984, LB 473, § 18; Laws 1997, LB 114, § 28; Laws 2009, LB31, § 18.

1-136.02. Permit; when issued.

(1) The board shall issue a permit under subdivision (1)(a) of section [1-136](#) to a holder of a certificate as a certified public accountant when such holder has had:

(a) Two years of accounting experience satisfactory to the board, in any state or foreign country, in employment as an accountant in a firm, proprietorship, partnership, corporation, limited liability company, or other business entity authorized to in any state to engage in the practice of public accountancy under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1) (a) of section 1-136 or the equivalent issued by another state;

(b) Except as provided in subdivision (c) of this subsection, three years of accounting experience satisfactory to the board, in any state or foreign country, in the employment as (i) an accountant in government or business under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1) (a) of section 1-136 or the equivalent issued by another state or (ii) faculty at a college or university of recognized standing under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1) (a) of section 1-136 or the equivalent issued by another state; or

(c) Two years of accounting experience satisfactory to the board in employment as an accountant in the office of the Auditor of Public Accounts or the Department of Revenue under the supervision of an active certified public accountant who is the holder of a permit issued under subdivision (1) (a) of section [1-136](#) or the equivalent issued by another state.

(2) The board shall issue a permit under subdivision (1) (a) of section [1-136](#) to a holder of a reciprocal certificate issued under section [1-124](#) upon a showing that:

(a) He or she meets all current requirements in this state for issuance of a permit at the time the application is made; and

(b) At the time of the application for a permit the applicant, within the ten years immediately preceding application, meets the experience requirement in subdivision (1) (a), (b), or (c) of this section.

Source: Laws 1977, LB 290, § 3; Laws 1993, LB 41, § 2; Laws 1997, LB 114, § 29; Laws 2007, LB24, § 2; Laws 2009, LB31, § 19, Laws 2013, LB 27 § 2; Laws 2016, LB 853, § 1, Laws 2017, LB 56, § 1.

1-136.03. Repealed. Laws 2009, LB 31, § 43.

1-136.04. Permit issuance; experience in lieu of being a college or university graduate.

Any person who has passed the examination described in section [1-114](#) may qualify for issuance of a permit under subdivision (1)(a) of section [1-136](#) by (1) having four years of public accounting experience satisfactory to the board in any state or foreign country in practice as a certified public accountant or as a public accountant or in any state or foreign

country in employment as a staff accountant by anyone engaging in the practice of public accountancy, or any combination of either of such types of experience, or (2) having five years of auditing experience satisfactory to the board in the office of the Auditor of Public Accounts or in the Department of Revenue, in lieu of being a graduate from a college or university of recognized standing.

Source: Laws 1977, LB 290, § 6; Laws 1984, LB 473, § 19; Laws 1991, LB 75, § 13; Laws 1997, LB 114, § 30; Laws 2009, LB31, § 20; Laws 2016, LB 853, § 1.

1-137. Individual certificates, practice privilege, temporary practice privilege, registration, and permits; disciplinary action; grounds. After notice and hearing as provided in sections [1-140](#) to [1-149](#), the board may take disciplinary action as provided in section [1-148](#) for any one or any combination of the following causes:

(1) Fraud or deceit in obtaining a certificate as a certified public accountant or the practice privilege or temporary practice privilege, registration, or a permit under the Public Accountancy Act;

(2) Dishonesty, fraud, or gross negligence in the practice of public accountancy;

(3) Violation of any of the provisions of sections [1-151](#) to [1-161](#);

(4) Violation of a rule of professional conduct adopted and promulgated by the board under the authority granted by the act;

(5) Conviction of a felony under the laws of any state or of the United States;

(6) Conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States;

(7) Cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant or a public accountant in any other state, for any cause other than failure to pay a registration fee in such other state;

(8) Suspension or revocation of the right to practice before any state or federal agency; or

(9) Failure of a certificate holder or registrant to obtain a permit issued under section [1-136](#), within either (a) three years from the expiration date of the permit last obtained or renewed by the certificate holder or registrant or (b) three years from the date upon which the certificate holder or registrant was issued his or her certificate or registration if no permit was ever issued to him or her, unless under section [1-136](#) such failure was excused by the board pursuant to section [1-136](#).

Source: Laws 1957, c. 1, § 32, p. 66; Laws 1974, LB 811, § 2; Laws 1981, LB 92, § 5; Laws 1993, LB 41, § 3; Laws 1997, LB 114, § 31; Laws 2009, LB31, § 21.

Annotations: When a certified public accountant is an officer and shareholder of a corporation, the accountant's actions related to the corporation may reflect adversely on the accountant's fitness to practice as a certified public accountant and be subject to discipline by the Board of Public Accountancy. *Zwygart v. State*, 273 Neb. 406, 730 N.W.2d 103 (2007).

The power to revoke the certificate of a certified public accountant is in the State Board of Public Accountancy, not in the executive director. *Bohling v. State Bd. of Pub. Accountancy*, 243 Neb. 666, 501 N.W.2d 714 (1993).

1-137.01. Actions in another state; disciplinary action; grounds; board; investigatory duty. A holder of a certificate as a certified public accountant or a permit issued under subdivision (1)(a) of section [1-136](#) who offers or renders services or uses his or her C.P.A. title or designation in another state shall be subject to disciplinary action in this state for such an act committed in either state for which the certificate holder or permit holder would be subject to discipline for such an act committed in this state. The board shall investigate any complaint made by the board of accountancy or equivalent regulatory authority of another state.

Source: Laws 2009, LB31, § 23.

1-138. Partnership or limited liability company; disciplinary action; grounds. After notice and hearing as provided in sections [1-140](#) to [1-149](#), the board shall revoke the registration and permit or the practice privilege of a partnership or a limited liability company of certified public accountants if at any time it does not have all the qualifications prescribed by section [1-126](#) or sections [1-125.01](#) and [1-125.02](#), under which it qualified for registration or for the practice privilege or temporary practice privilege, respectively.

After notice and hearing as provided in sections [1-140](#) to [1-149](#), the board may take disciplinary action as provided in section [1-148](#) for any of the causes enumerated in section [1-137](#) or for any of the following additional causes:

(1) The revocation or suspension of the certificate or registration or the revocation or suspension or refusal to renew the permit of any partner or member; or

(2) The cancellation, revocation, suspension, or refusal to renew the authority of the partnership or any partner thereof or the limited liability company or any member thereof to practice public accountancy in any other state for any cause other than failure to pay a registration fee in such other state.

Source: Laws 1957, c. 1, § 33, p. 67; Laws 1993, LB 41, § 4; Laws 1993, LB 121, § 50; Laws 1997, LB 114, § 32; Laws 2009, LB31, § 22.

1-139. Corporation; disciplinary action; grounds. After notice and hearing as provided in sections [1-140](#) to [1-149](#), the board may take disciplinary action as provided in section [1-148](#) if the corporation, or any of its officers, employees, or agents, while acting for or on behalf of such corporation, is guilty of any act, neglect, or failure to act which would have been cause for such act as against an individual under section [1-137](#).

Source: Laws 1957, c. 1, § 34, p. 68; Laws 1993, LB 41, § 5; Laws 1997, LB 114, § 33.

1-140. Disciplinary action; board; initiation of proceedings. The board may initiate proceedings under the Public Accountancy Act either on its own motion or on the complaint of any person.

Source: Laws 1957, c. 1, § 35, p. 68; Laws 1997, LB 114, § 34.

1-141. Disciplinary action; notice to accused; how given. A written notice stating the nature of the charge or charges against the accused and the time and place of the hearing before the board on such charges shall be served on the accused not less than thirty days prior to the date of said hearing either personally or by mailing a copy thereof by either registered or certified mail to the address of the accused last known to the board.

Source: Laws 1957, c. 1, § 36, p. 68.

1-142. Disciplinary action; failure of accused to appear and defend; hearing; order. If, after having been served with the notice of hearing pursuant to section [1-141](#), the accused fails to appear at the hearing and defend, the board may proceed to hear evidence against him or her and may enter such order as is justified by the evidence, which order shall be final unless he or she petitions for a review as set forth in section [1-149](#), except that within thirty days from the date of any order, upon a showing of good cause for failing to appear and defend, the board may reopen the proceedings and may permit the accused to submit evidence in his or her behalf.

Source: Laws 1957, c. 1, § 37, p. 69; Laws 1997, LB 114, § 35.

1-143. Disciplinary action; appearance by accused; privileges. At any hearing the accused may appear in person and by counsel, produce evidence and witnesses on his or her own behalf, cross-examine witnesses, and examine such evidence as may be produced against him or her. The accused shall be entitled, on application to the board, to the issuance of subpoenas to compel the attendance of witnesses on his or her behalf.

Source: Laws 1957, c. 1, § 38, p. 69; Laws 1997, LB 114, § 36.

1-144. Disciplinary action; hearing; board; powers. The board, or any member thereof, may issue subpoenas to compel the attendance of witnesses and the production of documents and may administer oaths, take testimony, hear proofs, and receive exhibits in evidence in connection with or upon hearing under the Public Accountancy Act. In case of disobedience to a subpoena the board may invoke the aid of any court of this state in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Source: Laws 1957, c. 1, § 39, p. 69; Laws 1997, LB 114, § 37.

1-145. Disciplinary action; board; rules of evidence. The board shall not be bound by rules of evidence.

Source: Laws 1957, c. 1, § 40, p. 69; Laws 1997, LB 114, § 38.

1-146. Disciplinary action; record of hearing. A stenographic record of the hearing shall be kept and a transcript thereof filed with the board.

Source: Laws 1957, c. 1, § 41, p. 69.

1-147. Disciplinary action; board; legal representation. At all hearings, the Attorney General of this state, or one of his assistants designated by him, or such other legal counsel as may be employed, shall appear and represent the board.

Source: Laws 1957, c. 1, § 42, p. 69.

1-148. Disciplinary action; action of board. Upon the completion of any hearing, the board, by majority vote, shall have the authority through entry of a written order to take in its discretion any or all of the following actions:

- (1) Issuance of censure or reprimand;
- (2) Suspension of judgment;
- (3) Placement of the permit holder, certificate holder, registrant, or person exercising the practice privilege or the temporary practice privilege on probation;
- (4) Placement of a limitation or limitations on the permit, certificate, or registration and upon the right of the permit holder, certificate holder, registrant, or person exercising the practice privilege or the temporary practice privilege to practice the profession to such extent, scope, or type of practice for such time and under such conditions as are found necessary and proper;
- (5) Imposition of a civil penalty not to exceed ten thousand dollars, except that the board shall not impose a civil penalty under this subdivision for any cause enumerated in subdivisions (5) through (9) of section [1-137](#) and subdivisions (1) and (2) of section [1-138](#). The amount of the penalty shall be based on the severity of the violation;
- (6) Entrance of an order of suspension of the permit, certificate, registration, or practice privilege or temporary practice privilege;
- (7) Entrance of an order of revocation of the permit, certificate, registration, or practice privilege or temporary practice privilege;

(8) Imposition of costs as in ordinary civil actions in the district court, which may include attorney and hearing officer fees incurred by the board and the expenses of any investigation undertaken by the board; or

(9) Dismissal of the action.

Source: Laws 1957, c. 1, § 43, p. 70; Laws 1993, LB 41, § 6; Laws 1994, LB 957, § 6; Laws 1997, LB 114, § 39; Laws 2009, LB31, § 24.

Annotations: The Board of Public Accountancy has discretion to impose attorney fees incurred by the board, which may include fees for an attorney who represents the board and serves as the "prosecutor" in a disciplinary case. *Zwygart v. State*, 273 Neb. 406, 730 N.W.2d 103 (2007).

1-149. Disciplinary action; appeal; procedure. Any decision of the board may be appealed, and the appeal shall be in accordance with the Administrative Procedure Act.

Source: Laws 1957, c. 1, § 44, p. 70; Laws 1988, LB 352, § 1.

Cross References: **Administrative Procedure Act**, see section [84-920](#).

1-150. Disciplinary action; additional board powers. Upon application in writing and after hearing pursuant to notice, the board may issue a new certificate to a certified public accountant whose certificate has been revoked, may permit the reregistration of a person whose registration has been revoked, or may reissue or modify the suspension of any permit which has been revoked or suspended.

Source: Laws 1957, c. 1, § 45, p. 71; Laws 1997, LB 114, § 40.

1-151. Certified public accountant; person; use of term C.P.A.; requirements. No person shall assume or use the title or designation certified public accountant or the abbreviation C.P.A. or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a certified public accountant unless such person (1) is classified as inactive under section [1-136](#) or (2) has been issued a certificate as a certified public accountant under sections [1-114](#) to [1-124](#) and holds a permit issued under subdivision (1)(a) of section [1-136](#) which is not revoked or suspended and all of such person's offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#).

Source: Laws 1957, c. 1, § 46, p. 71; Laws 1984, LB 473, § 20; Laws 1997, LB 114, § 41; Laws 2009, LB31, § 25.

1-152. Certified public accountant or public accountant; partnership or limited liability company; use of titles or term C.P.A.; requirements. No partnership or limited liability company shall assume or use the title or designation certified public accountant or public accountant or the abbreviation C.P.A. or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership or limited liability company is composed of certified public accountants unless such partnership or limited liability company is registered as a partnership of certified public accountants or a limited liability company of certified public accountants under section [1-126](#) and holds a permit issued under subdivision (1)(b) of section [1-136](#) which is not revoked or suspended and all of such partnership's or limited liability company's offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#).

Source: Laws 1957, c. 1, § 47, p. 72; Laws 1993, LB 121, § 51; Laws 1997, LB 114, § 42; Laws 2009, LB31, § 26.

1-153. Peer Review. The Board may adopt and promulgate rules and regulations to require a firm to enroll in and comply with all requirements of a board-approved program of peer review and comply with all restriction placed on any permit by the board in response to the results of peer review.

Source: Laws 2015, LB159, § 3.

1-154. Repealed. Laws 2009, LB 31, § 43.

1-155. Use of terms, prohibited; exception. Except as otherwise provided in this section, no person, partnership, or limited liability company shall assume or use the title or designation certified accountant, public accountant, chartered accountant, enrolled accountant, licensed accountant, or registered accountant or any other title or designation likely to be confused with certified public accountant or any of the abbreviations C.A., P.A., E.A., R.A., or L.A. or similar abbreviations likely to be confused with C.P.A. No person shall assume or use the title or designation enrolled agent or E.A. except a person so designated by the Internal Revenue Service. Any person who holds a permit issued under section [1-136](#) which is not revoked or suspended and all of whose offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#) may hold himself or herself out to the public as an accountant or auditor.

Source: Laws 1957, c. 1, § 50, p. 73; Laws 1993, LB 121, § 53; Laws 1997, LB 114, § 45; Laws 2009, LB31, § 27.

1-156. Corporation; use of terms, prohibited; exception. No corporation shall assume or use the title or designation certified public accountant or public accountant nor shall any corporation assume or use the title or designation certified accountant, chartered accountant, enrolled accountant, licensed accountant, registered accountant, or any other title or designation likely to be confused with certified public accountant or any of the abbreviations C.P.A., P.A., C.A., E.A., R.A., L.A., or similar abbreviations likely to be confused with C.P.A., except that a corporation which is registered under section [1-134](#) and holds a permit issued under subdivision (1)(c) of section [1-136](#) which is not revoked or suspended and all of such corporation's offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#), may use the words accountant, auditor, and other appropriate words to indicate that it is engaged in the practice of public accountancy but may not use the title or designation certified public accountant, public accountant, certified accountant, chartered accountant, enrolled accountant, licensed accountant, registered accountant, or any other title or designation likely to be confused with certified public accountant or any of the abbreviations C.P.A., C.A., E.A., L.A., R.A., or similar abbreviations likely to be confused with C.P.A.

Source: Laws 1957, c. 1, § 51, p. 73; Laws 1997, LB 114, § 46; Laws 2009, LB31, § 28.

1-157. Accountant or auditor; use of terms; when permitted. No person shall sign or affix his or her name or any trade or assumed name used by him or her in his or her profession or business with any wording indicating that he or she is an accountant or auditor or with any wording indicating that he or she has expert knowledge in accounting or auditing to any accounting or financial statement or to any opinion on, report on, or certificate to any accounting or financial statement unless he or she holds a permit issued under subdivision (1)(a) of section [1-136](#) which is not revoked or suspended and all of his or her offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#). This section shall not prohibit any officer, employee, partner, limited liability company member, or principal of any organization from affixing his or her signature to any statement or report in reference to the financial affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization, nor shall this section prohibit any act of a public official or public employee in the performance of his or her duties as such.

Source: Laws 1957, c. 1, § 52, p. 74; Laws 1993, LB 121, § 54; Laws 1994, LB 884, § 1; Laws 1997, LB 114, § 47; Laws 2009, LB31, § 29.

1-158. Partnership or limited liability company; use of terms; requirements. No person shall sign or affix a partnership or limited liability company name, with any wording indicating that it is a partnership or limited liability company composed of accountants, auditors, or persons having expert knowledge in accounting or auditing, to any accounting or financial statement, or to any report on or certificate to any accounting or financial statement, unless the partnership or limited liability company holds a permit issued under subdivision (1)(b) of section [1-136](#) which is not revoked or suspended and all of its offices in this state for the practice of public accountancy are maintained and registered as required under section [1-135](#).

Source: Laws 1957, c. 1, § 53, p. 74; Laws 1993, LB 121, § 55; Laws 1997, LB 114, § 48; Laws 2009, LB31, § 30.

1-159. Corporation; use of terms; requirements. No person shall sign or affix a corporate name with any wording indicating that it is a corporation performing services as accountants or auditors or composed of accountants or auditors or persons having expert knowledge in accounting or auditing, to any accounting or financial statement, or to any report on or certificate to any accounting or financial statement, except that a corporation which is registered under section [1-134](#) and holds a permit issued under subdivision (1)(c) of section [1-136](#) which is not revoked or suspended may affix its corporate name with the wording indicated above.

Source: Laws 1957, c. 1, § 54, p. 75; Laws 1997, LB 114, § 49; Laws 2009, LB31, § 31.

1-160. Public accountant; absence of permit; requirement to so state; exceptions. No person, partnership, limited liability company, or corporation not holding a permit issued under section [1-136](#) which is not revoked or suspended shall hold himself, herself, or itself out to the public as an accountant or auditor by use of either or both of such words on any sign, card, or letterhead or in any advertisement or directory without indicating thereon or therein that such person, partnership, limited liability company, or corporation does not hold such a permit. This section shall not prohibit any officer, employee, partner, member, or principal of any organization from describing himself or herself by the position, title, or office he or she holds in such organization nor any act of any public official or public employee in the performance of his or her duties as such.

Source: Laws 1957, c. 1, § 55, p. 75; Laws 1993, LB 121, § 56; Laws 1997, LB 114, § 50.

1-161. Certified public accountant; public accountant; false use of partnership or limited liability company designation; prohibition. No person shall assume or use the title or designation certified public accountant or public accountant in conjunction with names indicating or implying that there is a partnership or a limited liability company or in conjunction with the designation "and company" or "and Co." or a similar designation if, in any such case, there is in fact no bona fide partnership or limited liability company registered under section [1-126](#).

Source: Laws 1957, c. 1, § 56, p. 75; Laws 1993, LB 121, § 57; Laws 1997, LB 114, § 51; Laws 2009, LB31, § 32.

1-162. Certified public accountant; employees and assistants; not prohibited. Nothing contained in the Public Accountancy Act shall prohibit any person not a certified public accountant from serving as an employee of, or an assistant to, a certified public accountant or partnership or limited liability company of certified public accountants holding a permit

issued under section [1-136](#) or a foreign accountant exercising the temporary practice privilege under section [1-125.02](#), except that such employee or assistant shall not issue any accounting or financial statement over his or her name.

Source: Laws 1957, c. 1, § 57, p. 76; Laws 1993, LB 121, § 58; Laws 1997, LB 114, § 52; Laws 2009, LB31, § 33.

1-162.01. Firms; owners permitted; conditions; rules and regulations.

(1) Notwithstanding the Nebraska Professional Corporation Act or the Public Accountancy Act or any other provision of law inconsistent with this section, firms may have owners who are not certified public accountants if the following conditions are met:

- (a) Such owners shall be:
 - (i) Natural persons;
 - (ii) An employee stock ownership plan as described and defined in 26 U.S.C. 401(a) and 26 U.S.C. 4975(e) (7), as such subsections existed on January 1, 2019;
 - (iii) A partnership or limited liability company; or
 - (iv) A corporation;
- (b) Such owners, whether direct or beneficial, who are natural persons shall not exceed, in the aggregate, forty-nine percent of the total number of owners of such firm;
- (c) Such owners who are natural persons shall not hold, in the aggregate, directly or beneficially, more than forty-nine percent of such firm's equity capital or voting rights or receive, in the aggregate, directly or beneficially, more than forty-nine percent of such firm's profits or losses;
- (d) Such owners shall not, in the aggregate, directly or beneficially, comprise a majority of the owners of a firm;
- (e) Such owners shall not, in the aggregate, directly or beneficially, hold one half or more of the equity capital of the firm and possess majority voting rights of the firm;
- (f) Such owners, whether direct or beneficial, who are natural persons shall not hold themselves out as certified public accountants;
- (g) Such owners, whether direct or beneficial, who are natural persons shall not hold themselves out to the general public or to any client as an owner, partner, shareholder, limited liability company member, director, officer, or other official of the firm except in a manner specifically permitted by the rules and regulations of the board;
- (h) Such owners, whether direct or beneficial, who are natural persons shall not have ultimate responsibility for the performance of any audit, review, or compilation of financial statements or other forms of attestation related to financial information;
- (i) Such owners who are natural persons shall not be direct or beneficial owners of a firm engaged in the practice of public accountancy without board approval if such natural persons (i) have been convicted of any felony under the laws of any state, of the United States, or of any other jurisdiction, (ii) have been convicted of any crime, an element of which is dishonesty or fraud, under the laws of any state, of the United States, or of any other jurisdiction, (iii) have had their professional or vocational licenses, if any, suspended or revoked by a licensing agency of any state of the United States or of any other jurisdiction or such persons have otherwise been the subject of other final disciplinary action by any such agency, or (iv) are in violation of any rule or regulation regarding character or conduct adopted and promulgated by the board relating to owners who are not certified public accountants;
- (j) Such owners, if a partnership, limited liability company, or corporation: (i) Hold a permit under section 1-136; (ii) do not have the ultimate responsibility for the firm's

performance of audits, reviews, or compilations of financial statements or other forms of attestation relating to financial information; and (iii) have their owners comply with this section, so long as any natural persons who have an ownership or beneficial interest in such partnership, limited liability company, or corporation, directly or beneficially, meet, as if such natural persons or entities were direct owners in the firm, the requirements of subdivisions (1) (b) through (i) of this section; and

(k) Such beneficial owners under an employee stock ownership plan shall be natural persons actively participating in the business of the firm or an entity controlled by the firm. All of the trustees of such employee stock ownership plans shall be natural persons who are certified public accountants, except in the event that a conflict of interest exists for one or more trustees with respect to a specific issue or transaction, such trustees may appoint a special independent trustee or special fiduciary, who is not a certified public accountant or otherwise legally authorized to render professional services in public accountancy, which special independent trustee or special fiduciary shall be authorized to make decisions only with respect to the specific issue or transaction that is the subject of the conflict.

(2) The issuance or transfer of any shares of stock or equity interests in a firm in violation of this section is void. No shareholder or equity owner of a firm shall enter into a voting trust agreement or any other type of agreement vesting in another person the authority to exercise the voting power of any of the stock or equity of a firm.

(3) The board shall adopt and promulgate rules and regulations for purposes of interpretation and enforcement of compliance with this section.

Source: Laws 1994, LB 957, § 1; Laws 1997, LB 114, § 53; Laws 1999, LB 346, § 2; Laws 2009, LB31, § 34; Laws 2019, LB49, § 1

Cross References: **Nebraska Professional Corporation Act**, see section [21-2201](#).

1-163. Repealed. Laws 2009, LB 31, § 43.

1-164. Banking, law, and agricultural services; not prohibited. Nothing contained in the Public Accountancy Act shall prohibit any person from carrying on the regular business of banking, nor prohibit any person from carrying on the regular practice of law, nor prohibit any farm organization or agricultural cooperative association, or the employees thereof, from rendering accounting, auditing, or business analysis services when such services are rendered only to its members or to other farm organizations or agricultural cooperative associations.

Source: Laws 1957, c. 1, § 59, p. 76; Laws 1997, LB 114, § 55.

1-164.01. Services related to financial statements; not prohibited. Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit any person who does not hold a permit issued under subdivision (1)(a) of section [1-136](#) from preparing, compiling, or signing financial statements if an accompanying report, letter, or other statement does not express an opinion or other form of assurance as to the fairness, accuracy, or reliability of such statements.

Source: Laws 1984, LB 473, § 22; Laws 1997, LB 114, § 56; Laws 2009, LB31, § 35.

1-164.02. Formation of business partnership or limited liability company; not prohibited. Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit a person holding a certificate as a certified public accountant from forming a business partnership or limited liability company with a person not holding a certificate or permit.

Source: Laws 1984, LB 473, § 23; Laws 1993, LB 121, § 59; Laws 1997, LB 114, § 57; Laws 2009, LB31, § 36.

1-164.03. Use of title accountant; not prohibited. Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit a person not holding a certificate or permit from using the title accountant in his or her business practices.

Source: Laws 1984, LB 473, § 24; Laws 1997, LB 114, § 58.

1-165. Board; unlawful practice; injunction. Whenever, in the judgment of the board, any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of sections [1-151](#) to [1-161](#), the board may make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, a restraining order, or such other order as may be appropriate shall be granted by such court without bond.

Source: Laws 1957, c. 1, § 60, p. 76; Laws 1997, LB 114, § 59.

1-166. Unlawful use of terms; penalty. Any person who violates sections [1-151](#) to [1-161](#) shall be guilty of a Class II misdemeanor. If a member of the board has reason to believe that any person is liable to punishment under this section, the board may certify the facts to the Attorney General of this state, who may in his or her discretion cause appropriate proceedings to be brought.

Source: Laws 1957, c. 1, § 61, p. 77; Laws 1977, LB 40, § 1; Laws 1997, LB 114, § 60.

1-167. Unlawful use of terms; advertising; prima facie evidence of violation. The display or uttering by a person of a card, sign, advertisement, or other printed, engraved, or written instrument or device, bearing a person's name in conjunction with the words certified public accountant or any abbreviation thereof or public accountant or any abbreviation thereof shall be prima facie evidence in any action brought under section [1-165](#) or [1-166](#) that the person whose name is so displayed caused or procured the display or uttering of such card, sign, advertisement, or other printed, engraved, or written instrument or device and that such person is holding himself or herself out to be a certified public accountant holding a permit issued under section [1-136](#). In any such action evidence of the commission of a single act prohibited by the Public Accountancy Act shall be sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

Source: Laws 1957, c. 1, § 62, p. 77; Laws 1997, LB 114, § 61; Laws 2009, LB31, § 37.

1-168. Certified public accountant; working papers and memoranda; property rights. All statements, records, schedules, working papers, and memoranda made by a certified public accountant incident to or in the course of professional service to clients by such accountant, except reports submitted by a certified public accountant to a client, shall be and remain the property of such accountant in the absence of an express agreement between such accountant and the client to the contrary. No such statement, record, schedule, working paper, or memorandum shall be sold, transferred, or bequeathed, without the consent of the client or his or her personal representative or assignee, to anyone other than one or more surviving partners or limited liability company members or new partners or limited liability company members of such accountant.

Source: Laws 1957, c. 1, § 63, p. 77; Laws 1993, LB 121, § 60; Laws 1994, LB 884, § 2; Laws 2009, LB31, § 38.

1-169. Transferred to section [1-105](#).

1-170. Audit, report, or financial statement; public agency of state; made by whom. Whenever any statute or rule or regulation adopted and promulgated by authority of any statute requires that any audit, report, financial statement, or other document for any department, division, board, commission, agency, or officer of this state be prepared by certified public accountants, such requirement, except as provided in section [1-171](#), shall be construed to mean certified public accountants holding a permit issued under subdivision (1)(a) of section [1-136](#) or a person exercising the practice privilege or temporary practice privilege.

Source: Laws 1965, c. 1, § 1, p. 59; Laws 1997, LB 114, § 62; Laws 2009, LB31, § 39.

1-171. Audit, report, or financial statement; federal regulation; made by whom. Whenever any federal regulation requires any audit, report, financial statement, or other document to be prepared by a certified public accountant, such requirement shall be construed to mean a certified public accountant holding a permit issued under subdivision (1)(a) of section [1-136](#) or a person exercising the practice privilege or temporary practice privilege.

Source: Laws 1965, c. 1, § 2, p. 59; Laws 1997, LB 114, § 63; Laws 2009, LB31, § 40.

1-172. Repealed. Laws 1992, LB 859, § 1.