



# Legislative Update



[On Your Behalf](#) | [How It Works](#) | [Leg Victory](#) | [Leg Spotlight](#)  
[Newsworthy Articles](#) | [Submit Your Leg Issues](#)

## ON YOUR BEHALF

**NYSSCPA Lobby Day 2023:** Members of the NYSSCPA Board of Directors, Political Action Committee (PAC) and Legislative Task Force participated in this year's NYSSCPA Lobby Day, sponsored by the CPA PAC. Our members were able to communicate the Society's legislative priorities in order to help our state Legislature understand our passion for the bills we are urging them to pass. NYSSCPA President Lynne M. Fuentes, PAC President Edward Torres, NYSSCPA CEO Calvin Harris Jr. and 25 other members from across the state met in Albany to lobby nearly 50 senators and assemblymembers, who included Assembly Majority Leader Crystal Peoples-Stokes, Deputy Senate Majority Leader Michael Gianaris, and Senate Minority Leader Robert Ortz at the New York State Capitol Building. We were able to recruit members of the Legislature to sign on as co-sponsors to our various legislative bills. Those bills included legislation regarding non-CPA firm ownership, PTET, financial literacy in high schools, and the power of attorney expansion for e-signature.



Photo Credit: Jovan C. Richards  
Photo Caption: The NYSSCPA Lobby Day Delegation on the Million Dollar Staircase inside the New York State Capitol Building

**AICPA and NYSSCPA Capitol Hill Visits 2023:** Members of the New York delegation to the AICPA participated in this year's AICPA Hill Visits. Members included NYSSCPA CEO Calvin Harris Jr., CPA PAC President Edward Torres, Past Presidents Rumbi Bwerinofa-Petrozzello and Edward Arcara, Steven Morse and Steven Baierlein. They were joined by NYSSCPA Marketing & Communications Director Emily Frizzell and Government Relations Manager Jovan C. Richards. The group was able to talk to a handful of members of the New York Congressional Delegation. Those members included House Minority Leader Hakeem Jeffries and Reps. Grace Meng, Paul Tonko, Nydia Velazquez and Andrew Garbarino. Our members discussed legislation regarding tax extension safe harbor, 529 plans for college savings, adding accounting to STEM, and creating a Fiscal State of the Nation.



**Pushing Non-CPA Firm Ownership:** Members of the NYSSCPA Government Relations Team held several follow-up meetings in the weeks following our successful

2023 Lobby Day in Albany. In these meetings, our team partnered with our accounting partners at the Big Four to further lobby our leaders in Albany to ensure that the voices of CPAs from across this state were heard loud and clear. The team's biggest priority was pushing the non-CPA firm ownership bill through the Assembly.

Photo Credit: Emily Frizzell  
Photo Caption: New York's Capitol Hill Visits Delegation at the U.S. Capitol

[Back To Top](#)

## HOW IT WORKS

**How the Branches of the U.S. Government Work:** Our federal government has three parts. They are the Executive branch, (President, Vice President and the Presidential Cabinet), the Legislative branch (Senate and House of Representatives), and the Judicial branch (Supreme Court and lower Courts).

The President of the United States administers the Executive Branch of our government. The President enforces the laws that the Legislative Branch (Congress) makes. The President is elected by United States citizens, 18 years of age and older, who vote in the presidential elections in their states. These votes are tallied by states and form the Electoral College system. States have a number of electoral votes which equals the number of senators and representatives they have.

The Legislative branch of our government is called Congress. Congress makes our laws. Congress is divided into two chambers. One is the Senate. There are 100 senators—2 from each of our states. The other chamber is the House of Representatives. There are 435 representatives. The number of representatives that each state gets is determined by its population. Some states have just 2 representatives. Others have as many as 40. Both senators and representatives are elected by the eligible voters in their states.

The Judicial branch of our federal government includes the Supreme Court and 9 justices. They are specially appointed judges who interpret laws according to the Constitution. These justices only hear cases that pertain to issues related to the Constitution. They are the highest court in our country. The federal judicial system also has lower courts located in each state to hear cases involving federal issues.

All three parts of our federal government have their main headquarters in the city of Washington, D.C.

[Back To Top](#)

## LEGISLATIVE VICTORY

**The Legislature Passed Non-CPA Firm Ownership:** On Monday, May 22, 2023, the New York State Senate passed our Non-CPA Ownership bill by a 59-2 vote. The bill was then sent to the Assembly. Historically, the Assembly has never taken up the bill,

because it was never able to come out of committee. This year, with the help of a new committee chair, the bill successfully passed the Committee on Higher Education, the Ways & Means Committee and the Rules Committee, before it was sent to the floor of the Assembly for a full vote.

On Tuesday, May 30, 2023, just before 4 p.m., the New York State Assembly unanimously passed the NYSSCPA bill on the floor, which now means that the bill passed both chambers of the Legislature and will be delivered to the governor for her approval or veto.

And while we claim a victory before the Governor's signature makes it official, it is important to remember that Gov. Hochul has added Non-CPA Ownership to her fiscal year budget proposal for a number of years. Due to this past action, we believe that we still have her support. Once signed by the governor, the bill becomes law.

We could not have done this without you! Each time we called on our members, you answered the call and showed up to lobby legislators in Albany, email legislators and add your name to the profession's collective voice, to ensure that this bill got to every legislator's attention. Thank you for your support throughout this entire process.



Photo Credit: AP Photo/Hans Pennink  
Photo Caption: The New York State Assembly in Session

[Back To Top](#)

## LEGISLATIVE AGENDA SPOTLIGHT

The NYSSCPA has officially launched its 2023 Legislative and Regulatory Agenda. Please visit our newly adopted agenda on our website.

### Pass-Through Entity Tax (PTET)

**BACKGROUND:** The Pass-Through Entity Tax (PTET) has been one of our biggest legislative wins over the past five years. It has saved New York taxpayers large amounts of federal tax money, at no cost to the state.



Passing PTET initially was a significant win, but the Society believes that it still needs adjustment to resolve some of the issues that have arisen on a consistent basis. Most of the problems revolve around the fixed election date of March 15 of the taxable year in which the election would be effective. For example, if a partnership is formed on March 1, 2023, it can elect to pay PTET for the 2023 tax year. If it is formed on March 31, 2023, the first year in which it could elect PTET is 2024. Another example would be if there is a windfall gain in an entity after the March 15 election date, an entity cannot then elect in.

Since the imposition of the tax is fiscally neutral to the state, there is no reason to have the fixed date within the first 2½ months of a tax year. We are urging the Legislature to adopt a post year-end election date, while imposing an estimated tax requirement, with penalties for underpayment of estimates for any year, regardless of the election date.

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## STATE AND FEDERAL UPDATES

Get the latest information from the following statewide officials and the federal government:

### Governor Kathy Hochul:

- [Gov. Hochul Updates New Yorkers on Canadian Wildfires Impacting State's Air Quality](#)
- [Gov. Hochul Announces the 2023 New York State Minority and Women-Owned Business Enterprise Regional Opportunities Expo Series](#)
- [Gov. Hochul Announces the U.S. Small Business Administration Provided More Than \\$15 Million in Federal Assistance to Residents and Businesses in Western New York Impacted by Late December Blizzard](#)
- [Gov. Hochul Announces NY Green Bank Has Surpassed \\$2 Billion in Financial Commitments](#)
- [Gov. Hochul Announces Interagency Small Business Tour to Connect Businesses Across New York State to Vital Resources and Services](#)
- [Gov. Hochul Announces More Than \\$47 Million to Provide Summer Jobs for Disadvantaged Youth](#)

### Comptroller Thomas P. DiNapoli:

- [DiNapoli: Strong Tax Collections and New Savings Initiatives Boost NYC's Short-Term Finances](#)
- [DiNapoli: Federal Programs Bridge Gap in Broadband Access](#)
- [DiNapoli: New State Funds Open Door for MTA to Ease Debt, Build Stronger Future Budgets](#)
- [DiNapoli: Thruway Authority Owed More Than \\$275 Million in Unpaid Tolls and Fees](#)
- [DiNapoli: State Pension Fund Reaches Agreements with Companies to Evaluate and Set Greenhouse Gas Emissions Reduction Targets](#)

### Attorney General Letitia James:

- [AG James' Health Care Helpline Recovers More Than \\$1.5 Million in Restitution and Savings for New Yorkers](#)
- [AG James Secures \\$102.5 Million Multistate Agreement with Maker of Opioid Addiction Treatment Drug for Illegal Monopolistic Tactics](#)
- [AG James Secures \\$300,000 from Online Sporting Goods Retailers for Failing to Protect Consumers' Personal Information](#)
- [AG James Recovers \\$100,000 from Wholesaler for Price Gouging Lysol Products During Pandemic](#)
- [AG James Secures \\$4.3 Million from Cryptocurrency Company for Defrauding Investors](#)
- [AG James Leads Multistate Coalition to Urge U.S. Supreme Court to Preserve Consumer Protection Watchdog](#)

### The White House:

- [FACT SHEET: White House Launches Invest.gov, Highlights Record Public and Private Investment in Communities Under President Biden's Investing in America Agenda](#)
- [Statement from President Joe Biden on May Jobs Report](#)

[Back To Top](#)

## ARTICLES ON LEGISLATION & ADVOCACY

To keep you informed of the latest news:

- [SEC Charges Two Crypto Firms with Securities Violations](#), *The Trusted Professional*
- [CFOs Take Steps to Prepare for SEC Disclosure Rules on ESG](#), *The Trusted Professional*
- [Deal Suspending Debt Ceiling—and Cutting Some IRS Funding—Signed into Law](#), *The Trusted Professional*
- [New Corporate Transparency Act Rules Confront Small Business 'Awareness Gap'](#), *The Trusted Professional*
- [New York State Legislature Passes Non-CPA Ownership Bill](#), *The Trusted Professional*
- [New York Budget Legislation Contains Significant Tax Provisions](#), *The National Law Review*
- [How the FTC Safeguards Rule may affect your CPA firm](#), *Journal of Accountancy*
- [Complying with the Safeguards Rule for information security](#), *The Tax Adviser*



[Back To Top](#)

## Have a Leg/Reg Issue?

Your issues matter to us! The NYSSCPA Government Relations Team wants to help you be heard in the halls of power. If you have a suggestion for our legislative agenda, if you are having trouble getting through red tape, or would like assistance reaching your local or state officials, please email Media & Government Relations Manager Jovan C. Richards at [jrichards@nysscpa.org](mailto:jrichards@nysscpa.org).



[Back To Top](#)

## THE CPA PAC AND THE LEGISLATIVE TASK FORCE

The [CPA Political Action Committee](#) (PAC) is bipartisan and raises funds to amplify the NYSSCPA's collective voice in Albany. The NYSSCPA distributes PAC donations to New York political candidates who understand the profession's needs and concerns. When you [donate to the PAC](#), you help send a clear message to legislators that issues important to the profession affect the wider business community and the public interest—and that we will be heard.



The [Legislative Task Force](#) (LTF) is responsible for the monitoring and evaluation of New York state laws, legislation, rules and regulations related to the accounting profession, in particular, and business, in general. In conjunction with the Society's legislative staff, the LTF proactively recommends to the NYSSCPA Board various amendments and changes to existing legislation and regulations, on a continual basis.

[Back To Top](#)

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