



# Advocacy 2024:

## Year in Review

By Robert Broome, CAE

NCACPA was a steadfast champion for its members and the accounting profession throughout 2024. As the only organization in the state solely dedicated to representing the interests of CPAs and the communities they serve, NCACPA achieved significant victories through persistent advocacy.

Whether securing critical tax relief for those impacted by Hurricane Helene or lobbying to reduce the burdens of regulatory compliance, the Association demonstrated the power of collective action. These accomplishments underscore the importance of active member participation and engagement in shaping the future of the accounting profession in North Carolina.

### TAX RELIEF FOR VICTIMS OF HURRICANE HELENE

In the wake of Hurricane Helene's devastating impact on Western North Carolina, NCACPA was at the forefront of advocating for tax relief for individuals and businesses struggling to recover. The Association immediately contacted the Internal Revenue Service, the NC Department of Revenue, and the NC Division of Employment Security to request swift action to extend tax return filing and payment deadlines.

When lawmakers convened in Raleigh to adopt disaster recovery legislation, NCACPA secured provisions to benefit affected individual and business taxpayers:

- **Extending the Deadline for Taxed PTE Elections:** The Disaster Recovery Act extended the deadline for S corporations and partnerships to make a Taxed Pass-Through Entity (PTE) election for tax year 2023 until May 1, 2025. Without this provision, PTEs with extended returns that missed the October 15, 2024, filing deadline would have had no recourse.
- **Waiving Interest on Underpayments:** Legislators authorized the NCDOR to waive interest on underpayments of various taxes for individuals and businesses located in any county declared a major disaster area. NCACPA had already secured administrative action by the NCDOR to waive late payment penalties through May 1, 2025.

- **Expanding the Interest Waiver:** At NCACPA's urging, the interest waiver provision was later expanded to include taxpayers located outside a declared disaster area whose tax preparer or tax records were located within the zone.

NCACPA's continued tax advocacy helps ensure that affected residents and businesses have the time and resources to rebuild and move forward.

## CORPORATE INCOME TAX FILING DEADLINE EXTENDED

Business taxpayers and their tax professionals in North Carolina will have a reduced administrative burden beginning in 2025 thanks to a regulatory change championed by NCACPA, the NC Chamber, and the Council on State Taxation (COST).

On October 30, state regulators approved a rule change to extend the due date for filing a state corporate income tax return to one month later than the federal extended due date. The new rule became effective for tax year 2025.

The extended deadline to file an NC return is especially beneficial for corporations with multi-jurisdictional filing obligations. The extra month allows for a thorough review and adjustment of federal returns before preparing the state return, reducing the likelihood of errors and potential penalties.

## OTHER TAX MEASURES

- **Privilege Tax Repeal:** Thanks to a provision supported by NCACPA in the 2023 Appropriations Act, CPAs no longer had to pay the \$50 annual privilege tax when they renewed their license in 2024.
- **Taxed PTE Election Deadline Extension for TY 2022:** In 2023, NCACPA convinced lawmakers to retroactively expand the list of eligible partners of a Taxed Partnership to include other partnerships, certain trusts, and corporations. However, some partnerships had already filed their 2022 tax return before

that change was enacted. NCACPA convinced lawmakers to allow those partnerships to make the election on an amended return if filed by July 1, 2024.

- **PTE Tax Base Clarified:** The North Carolina taxable income of a taxed PTE is defined to include each owner's distributive share of the PTE's income "attributable to the State." However, the original 2021 law and the 2023 update did not clearly define this term. House Bill 228 defined this term as income apportioned and allocated to North Carolina under the corporate income tax principles.

## BENEFICIAL OWNERSHIP INFORMATION REPORTING

One of 2024's most controversial and confounding issues for CPAs and business owners was the implementation of the beneficial ownership information (BOI) reporting requirement contained in the federal Corporate Transparency Act (CTA). NCACPA actively engaged with the AICPA and other state CPA societies to advocate for our members and the business community. We raised concerns about the practical challenges of BOI reporting and worked diligently to keep our members informed of the latest developments. NCACPA directly engaged with Financial Crimes Enforcement Network (FinCEN) officials to highlight the practical difficulties faced by our members and the broader business community in complying with the BOI reporting requirements. NCACPA joined forces with other organizations to successfully lobby to extend the initial filing window for new companies.

To assist our members with the complexities of BOI reporting, NCACPA partnered with Wolters Kluwer to offer a 25% discount on CCH's Axxess Beneficial Ownership Solution. This award-winning platform automates the filing process, making it easier for CPAs to help their clients comply with the law and strengthen their client relationships.

Throughout the year, numerous lawsuits were filed that questioned the constitutionality of the CTA. These legal challenges resulted in a rapid flurry of court orders that established, withdrew, and then reinstated a nationwide injunction against enforcement of the BOI reporting requirement. NCACPA closely monitored these legal developments and informed our members through regular updates on Connect, email, and social media channels.

In December, members utilized the NCACPA Advocacy Action Center to send more than 750 messages to their Members of Congress urging a one-year delay of the BOI reporting requirement. While this specific measure was not included in the year-end budget continuing resolution, strong advocacy efforts by NCACPA members laid the foundation for continued action on this issue in 2025.

## OVERCOMING CHALLENGES WITH NCSUITS

Another source of frustration for many CPAs last year was the troubled rollout of NCSUITS, the state's new unemployment insurance tax software system. NCACPA's Advocacy Team exerted significant effort to elevate and resolve the concerns of businesses and their tax professionals with the NC Division of Employment Security (NCDES).

Through our advocacy efforts, NCACPA secured two extensions for quarterly payment and filing deadlines. These extensions provided valuable time for employers, CPAs, and NCDES to identify and resolve issues with the new system.

When NCSUITS generated over 2,400 erroneous demand for payment notices, NCACPA quickly intervened. We convinced NCDES to cancel the accounts receivable for the affected taxpayers, and the Division updated its software to prevent this error from recurring.

Throughout the spring and summer, NCACPA relayed members' concerns to NCDES staff and expedited requests for assistance with a host of technical issues involving the NCSUITS platform. At our urging, NCDES created a series of videos, webinars, and other resources to assist our members and simplify compliance.

## POWER OF ATTORNEY PROJECT

For several years, one of NCACPA's top advocacy priorities has been the creation of a digital document management system at NCDOR that will simultaneously email taxpayers and their Power of Attorney (POA) representatives whenever the Department issues a tax notice.

Our efforts finally paid off in November when the NCDOR began issuing electronic courtesy copies of Notices of Collection to registered POA representatives. The Department will expand the program to include additional notice types and other communications.

To receive simultaneous notifications, CPAs need to update their POA registrations to the new Form GEN-58, Power of Attorney and Declaration of Representative, and check the box authorizing the change.

NCACPA Tax Resource Group members have played a vital role in moving this project forward. They continue to support the Department of Revenue by providing guidance, testing forms, and sharing feedback on system improvements.

## ACCOUNTING AS STEM

One of NCACPA's top federal policy priorities is to establish accounting as a Science, Technology, Engineering, and Math (STEM) career pathway. Last summer, NCACPA and 64 other organizations co-signed a letter to the Department of Homeland Security recommending that six accounting-related instructional programs be added to the STEM Designated Degree list for the DHS Student and Exchange Visitor Program. The coalition will advocate for this change with the incoming Trump Administration.

NCACPA continued to express its support of the Accounting STEM Pursuit Act, which would allow federal grants to be used to increase access to high-quality accounting courses, especially targeting resources toward students who are underrepresented in the profession.

Although the measure did not advance to a floor vote, there was a notable increase in support for the bill in 2024. Thanks to our advocacy efforts, five members of North Carolina's House delegation signed on as cosponsors, and Senator Ted Budd cosponsored the companion bill in the Senate.

NCACPA will renew these efforts when new Accounting as STEM legislation is introduced in the 119th Congress.

## ALTERNATIVE PATHS TO CPA LICENSURE

Last spring, the NCACPA Board of Directors appointed a diverse working group to explore alternative pathways to CPA licensure and identify policy recommendations. In September, the AICPA and the National Association of State Boards of Accountancy (NASBA) released two exposure drafts aimed at providing an alternative pathway called the "CPA Competency-Based Experience (CBEx) Pathway."

An NCACPA membership survey on this topic garnered more than 490 responses. Key findings included:

- **Significant CPA shortage:** 73% of respondents reported a shortage of CPAs and/or non-CPA accountants in their firms or organizations. Public accounting (79%) reported a higher shortage than industry (59%).
- **Strong support for alternative pathways:** 71% favored alternative pathways to licensure, with 75% supporting a bachelor's degree plus two years of general experience model. Public accounting (79%) showed stronger support than industry (72%).
- **Limited support for the CBEx Pathway:** Only 66% supported the CBEx Pathway, with significantly lower support from industry (56%). Notably, only 37% of respondents had read the CBEx exposure draft.
- **High value on practice mobility:** 72% described CPA practice mobility as important or extremely important to them personally, but less so to their firms or organizations (54%).

In comment letters to the AICPA and NASBA, NCACPA identified several fundamental concerns about the CBEx framework and proposed changes to the Uniform Accountancy Act. While the Association commended the work that went into the proposal, NCACPA does not support the CBEx pathway. Copies of both letters are available online at [NCACPA.org](https://ncacpa.org).



## STANDARDS ADVOCACY AND AWARENESS

In late 2023, NCACPA reconstituted the Accounting & Attestation Resource Group under the leadership of co-chairs Melisa Galasso and Ben Ripple. Throughout 2024, this group reviewed almost three dozen exposure drafts from standard-setting entities such as the PCAOB, FASB, IASB, GASB, CIPFA, IESBA, the AICPA, and others.

By year's end, the group had submitted several comment letters on a variety of topics, including international non-profit accounting guidance, debt conversion, tax services, derivative accounting, consulting services, and more. The group also expressed its support for the Private Company Council in a letter to the Financial Accounting Foundation.

In addition to these advocacy efforts, the Accounting & Attestation Resource Group provides timely educational and technical resources to NCACPA members. The group authored a series of Interim Report articles about implementation of the new Quality Management standards that become effective in December 2025.

## UNPRECEDENTED ELECTORAL SUCCESS

In 2024, the NC CPA Political Action Committee broke its previous records for fundraising and participation. The amazing support of our members provided the NC CPA PAC with the opportunity to support more candidates for state office than ever before.

The NC CPA PAC contributed to a diverse slate of bipartisan candidates in the primary and general election cycles. In the primary, 96% of NC CPA PAC-backed candidates won their election. We achieved a remarkable 98% win rate in the general election.

You can read more about the NCACPA members who made these victories possible in "A Special Thank-You to Our 2024 PAC Investors" starting on page 22 of this issue.

## CONCLUSION

The successes achieved by the NCACPA in 2024 are a testament to the power of collective advocacy and the unwavering commitment of our members. As the voice for the accounting profession in North Carolina, the Association will continue to champion the interests of its members and work tirelessly to improve the business environment for CPAs, their clients, and their organizations. Active member involvement remains crucial to the continued success of NCACPA in advancing the profession and serving the public interest.

If you have questions about this issue or other policy matters, please contact NCACPA Vice President of Advocacy & Outreach Robert Broome, CAE.