

issuesalert

Be ready to act on legislation and other issues affecting your business now!

CALL TO ACTION: FAF PRIVATE COMPANY STANDARDS



The debate over whether to enact separate accounting standards for private companies rages on, but MACPA members have spoken: More than 90 percent of members polled at recent town hall meetings believe GAAP modifications and exceptions for private companies are a good idea.

So does the MACPA's Accounting Standards Task Force. It recently released a white paper that calls for the creation of a separate private company accounting standards board (www.macpa.org/FAF) that will develop such exceptions and modifications.

The MACPA is busy disseminating the task force's conclusions. In the meantime, we'll need your help.



The Financial Accounting Foundation, which created the Blue Ribbon Panel on Standard Setting for Private Companies to study the issue, is collecting feedback on various proposals, most of which call for a separate private company standards board.

It's time to let the FAF know where we stand. The MACPA has written its own letter to the FAF's John Brennan (www.macpa.org/FAF Comment), and we're asking you to do the same. Make your voice heard. Tell the FAF it's time for separate private company accounting standards.

If you need help in writing your letter, the AICPA has a terrific template and contact information that you can use. (<https://apps.aicpa.org/pcftr/>)

We believe the time is now and this will only happen if there is significant grass roots support.

WHAT'S COMING: SALES TAX ON SERVICES

General Assembly to return for special session. Sales tax on services is expected to be in the mix.

Maryland's General Assembly meets for a 90-day session each January, but this year lawmakers will return during the week of Oct. 17 to redraw congressional districts based on the results of the census.

They might have more on their minds that just redistricting, though. Some lawmakers have suggested they might consider legislation to address the state's financial woes – and that puts CPAs on alert for possible bids to raise revenue via sales taxes on professional services.

If this issue arises, we may enlist your help in calling or writing letters to educate lawmakers about the negative consequences of such legislation.

MACPA has already started to fight the "Sales Tax on Services" legislation by testifying before the Senate Budget and Taxation Committee on July 26th, planning a meeting with the managing partners of Maryland's Major Firms Group, and alerting our entire membership via this issue alert. We know from our past victory in the Special Session of 2007 that those "who holler the loudest (and most) will prevail." With your help, we can be heard.

The MACPA believes a sales tax on services would hurt Maryland citizens and businesses and negatively impact economic growth and development. Such a tax would be bad for small business in Maryland, and we will work to defeat such legislation if introduced. Read our position paper (www.macpa.org/salestax) ... and stay tuned.





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WHAT WE'VE DONE: 2011 LEGISLATIVE VICTORIES - AN HISTORIC YEAR

The General Assembly sided with the profession at every turn this year, including one issue – so-called “safe harbor” legislation – that has been decades in the making.

That legislation prohibits non-CPAs who perform compilations from filing reports that reference Statements and Standards on Accounting and Review Services (SSARS) and the AICPA and requires them to state that they are not subject to peer review.

“This is probably one of the most significant pieces of legislation we’ve been able to enact in the history of the MACPA,” said MACPA Executive Director Tom Hood.

In addition to safe harbor, the MACPA scored victories in the following areas:

- **Passage of so-called “120 / 150” legislation.** This legislation will allow students to sit for the CPA exam after completing the accounting requirements in a 120-hour undergraduate program, then get their CPA license upon completion of 150 credit hours.
- **Stopping sales tax on accounting, tax and consulting services.** No such legislation was introduced in the January 2011 session.
- **Exempting CPAs from the new debt settlement service provider registration.** A CPA’s education, examination and experience requirements, along with rigorous state licensing and oversight, make it unnecessary to include CPAs. Language in related bills took care of this issue.
- **Stop the lawsuit tax.** Efforts by the trial bar to liberalize tort law would have been detrimental to CPAs and small businesses as the basis to argue suits would increase and liability would be linked to the entities with insurance. Fortunately, no such legislation was introduced this year.
-  **Watch our video** that details legislation for 2011-12. (www.macpa.org/victory)

HOW CAN YOU HELP? KEY WAYS

- **Contribute to the MACPA PAC:** With your donation to the CPA Committee on Political Action, we are able to educate legislators about matters that are important to the profession, realize greater legislative effectiveness, and keep the MACPA membership fully informed. **Get details here - (www.macpa.org/PAC).**
- **Attend CPA Day in Annapolis:** Scheduled for Jan.18 (www.macpa.org/CPADay), CPA Day offers members the opportunity to speak directly with legislators about issues that impact the profession. It’s free, it’s worth two hours of CPE, and it works. **Mark your calendars now.**
- **Contact legislators and voice your concerns:** Identify and gather your legislator’s contact information to be ready to act at a moment’s notice. Writing letters and contacting legislator’s offices is the **best way to affect change.** (www.macpa.org/legislator)

SAVE THE DATE: UPCOMING EVENTS

CPA Day in Annapolis

Jan. 18, 2012 at the Gov. Calvert House in Annapolis. Register today - www.macpa.org/CPADay.

2012 Maryland CPA Summit

It’s never too early to look ahead, especially for an event like the MACPA’s Annual Maryland CPA Summit. The 2012 event will be held June 11-12 at the BWI Hilton (www.macpa.org/cpasummit). It will include the annual New CPA Swearing-In Ceremony (www.macpa.org/dance), a signature event in the careers of young Maryland CPAs. **Mark your calendars now.**

Don’t miss our fall Town Hall meetings

You’ll get updates on all of these issues and more at our town hall meetings. They’re free for MACPA members and worth four hours of CPE. Attend one near you - www.macpa.org/townhall.

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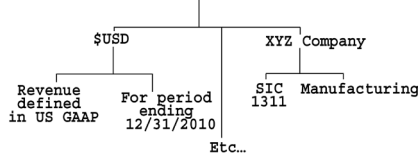
Bar codes revolutionized the merchandising industry like XBRL will do for the financial world.

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XBRL

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XBRL: Public company mandate, private company case study

When folks talk about XBRL, it's usually from a public company perspective – as if public companies are the only ones that can benefit from efficiency, transparency, speed and cost-effectiveness. *Everyone* wants those things, including private companies, non-profits and governments.

The MACPA wants them too, so it embraced the promise of XBRL and set off to find them.

In an effort to demonstrate XBRL's scope and versatility, the MACPA is using the data tagging language (www.macpa.org/casestudy) to populate its financial information and key performance indicator reports. The project could become a blueprint of sorts for how private companies and non-for-profit organizations can take advantage of XBRL's power.

XBRL can play a role in the biggest issue of the day - the federal deficit and government accountability. The MACPA has thanked Congressman Elijah Cummings (MD) for joining as a co-sponsor of H.R. 2146 the DATA Act (Data Accountability & Transparency Act of 2011). A Senate version was introduced by Senator Warner (VA) as well.

This important legislation requires structuring federal spending data using XBRL and other standards to increase federal transparency and accountability by establishing a web-based platform to allow

policymakers and taxpayers to more easily track federal spending. Think of this as democratizing the data. It is another way, the CPA Profession can help, as XBRL was started by the AICPA. We will keep you posted on developments of this important legislation.

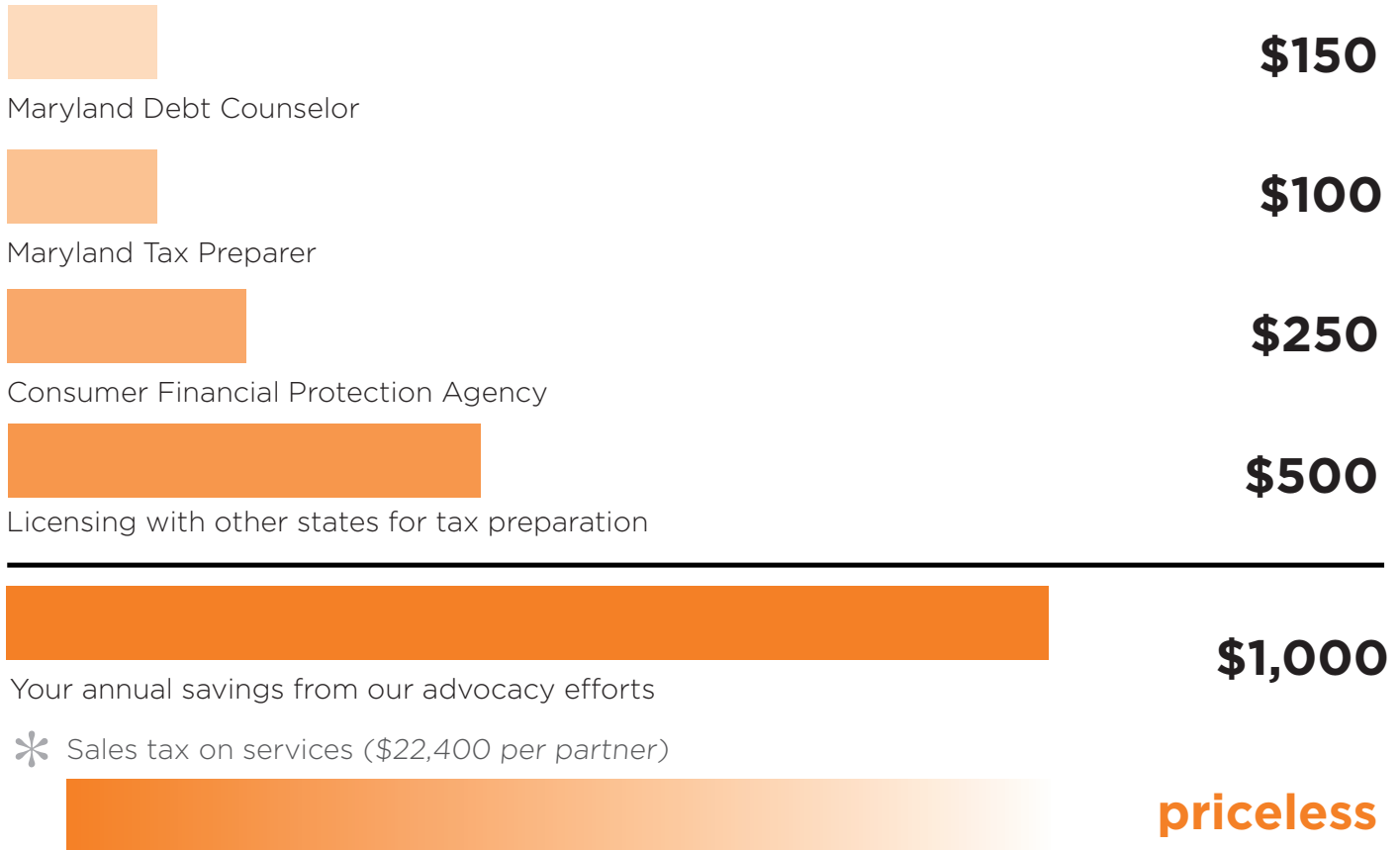
In the meantime, if you have an SEC practice, you likely have clients who are required to submit their financial statements using XBRL. June 15 marked the beginning of the third year of the three-year rollout in which all SEC filers, no matter how small, are required to provide their financial statements prepared according to U.S. GAAP in a new digital format.

How does XBRL impact you?

These upcoming events will tell you why you need to be paying attention to XBRL now.

- **2011 XBRL U.S. National Conference:** Set for Sept. 26-27 in Nashville, the conference will focus on GAAP reporting and how public companies can get more out of their investment in XBRL. The MACPA is among the conference's state CPA society partners, and MAPCA members can attend at a 10 percent discount by using the code "MACPA" when registering. Get details and register here: <http://xbml.us/events/Pages/natconf2011/home.aspx>.
- **MACPA presents our CASE STUDY:** Want to see how XBRL can be used for private companies and NFPs? Come see us present our case study at the XBRL U.S. Conference on Tuesday, September 27, 2011.
- **XBRL Webcasts:** Led by XBRL co-founder Eric Cohen, this Webcast will give you all the details you need about the SEC mandate, the benefits of XBRL and what CPAs need to be doing now. The first Webcast, an overview of XBRL, will be broadcast from 9 a.m. to 1 p.m. ET on Sept. 21. The second webcast, a how-to XBRL workshop, will be broadcast from 9 a.m. to 1 p.m. ET on Sept. 28. The webcast series will be re-broadcast monthly thereafter. Watch the MACPA Web site for details - www.macpa.org.
- **Learn more about XBRL:** Visit our CPA Success blog at www.cpasuccess.com/XBRL.

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