



ARIZONA STATE BOARD OF ACCOUNTANCY

SUBSTANTIVE POLICY STATEMENT

Policy Statement #2020-002

Statute or Rule: A.R.S. §§ 32-730.01 and 32-730.04

Section: Inactive and Retired Status

Subject: Inactive or Retired Status Requests; Not Providing Accounting Services for a Fee or Other Compensation

This substantive policy statement is advisory only. A substantive policy statement does not include internal procedural documents that only affect the internal procedures of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules made in accordance with the Arizona Administrative Procedure Act. If you believe that this substantive policy statement does impose additional requirements or penalties on regulated parties, you may petition the agency under A.R.S. § 41-1033 for a review of the statement.

Arizona Revised Statutes (A.R.S.) §§ 32-730.01(A) and 32-730.04(A) outline that a registrant may request that their certificate be placed on inactive or retired status respectively, should they meet the requirements outlined in the respective subsections. One of those requirements, which is the same for both inactive (A.R.S. § 32-730.01(A)(3)) and retired (A.R.S. § 32-730.04(A)(7)) statuses is:

“[A registrant must not]... provide accounting services for a fee or other compensation in this state.”

It is the Board’s interpretation that any of the following that provide accounting services, with the exception of attest or compilation services, in this state for their own business without compensation, except for owner flow-through profit, salary, or other owner compensation, meet the requirement of A.R.S. §§ 32-730.01(A)(3) and 32-730.04(A)(7) respectively.

1. An individual
2. A sole proprietor¹
3. A sole owner of a business organization²
4. A business organization owned 100% by a married couple

Adopted by the Arizona State Board of Accountancy on November 2, 2020

¹ Pursuant to A.R.S. § 32-701 “Sole proprietor” means the owner of a sole proprietorship. “Sole proprietorship” means a business that is owned by one individual and that does not have a legal distinction between the owner and the business.

² Pursuant to A.R.S. § 32-701 “Business organization” means a partnership, professional corporation, professional limited liability company, limited liability company or limited liability partnership or any other entity that is recognized by the board and that is established under the laws of any state or foreign country.