

# TSCPA Accounting Profession Update

## Knoxville, TN



October 28, 2025



1:30 p.m.

---

# Issues Facing the Profession



**Skills Gap**



**Licensure**

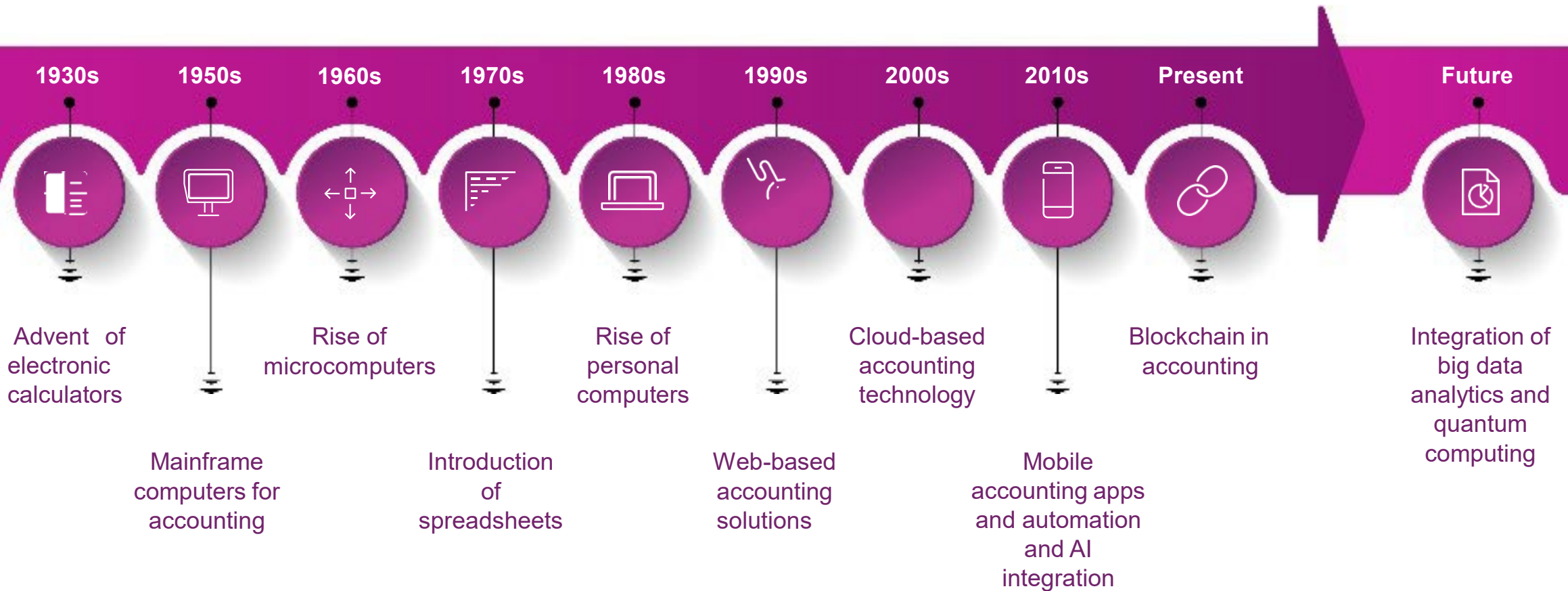


**Technology**



**Legislative/Political  
Environment**

# Evolution of accounting technology



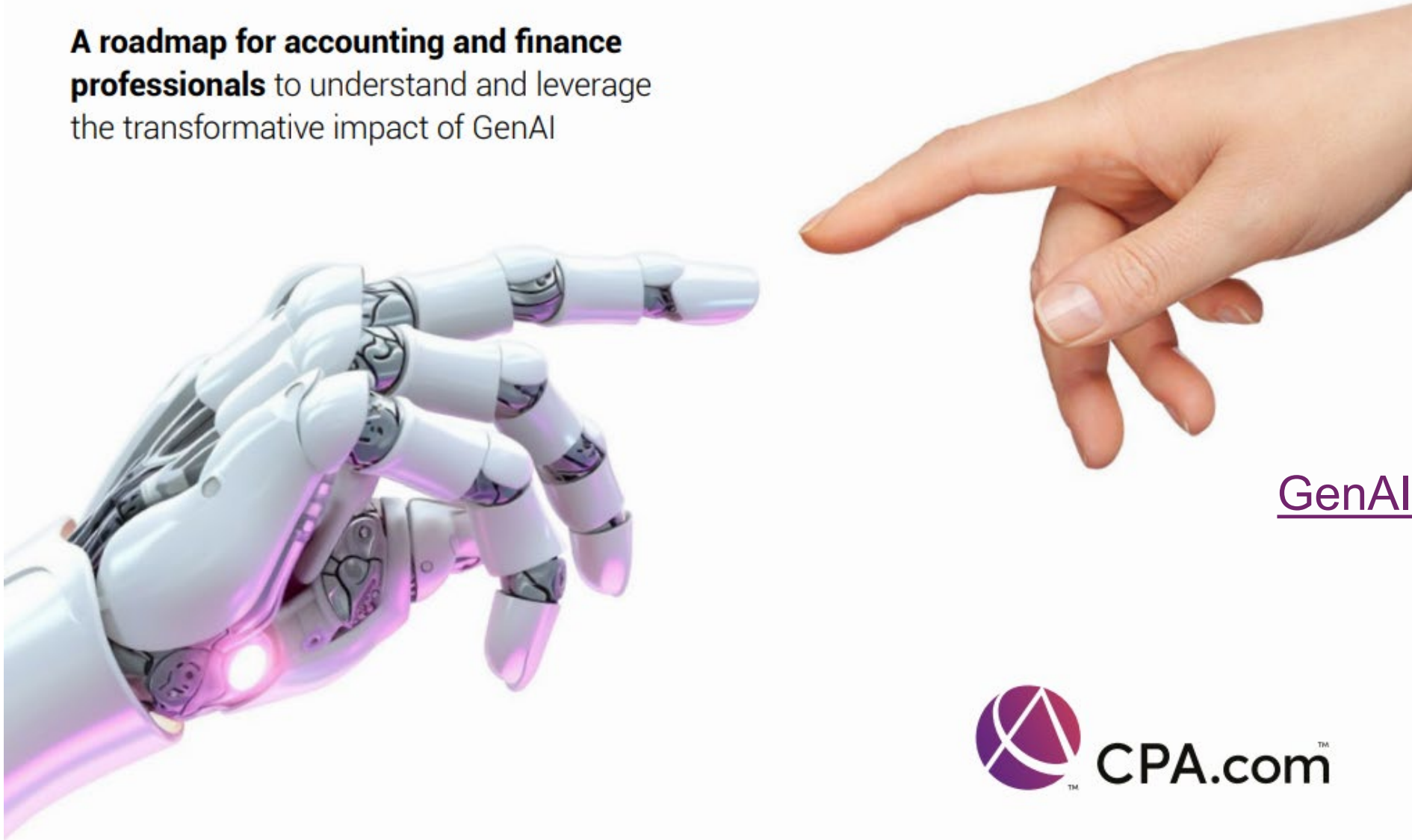
# AI Investment and Impact

82%

U.S. business executives expect their AI investments to drive broad productivity gains and upskill their workforce.

# CPA.com Generative AI Toolkit

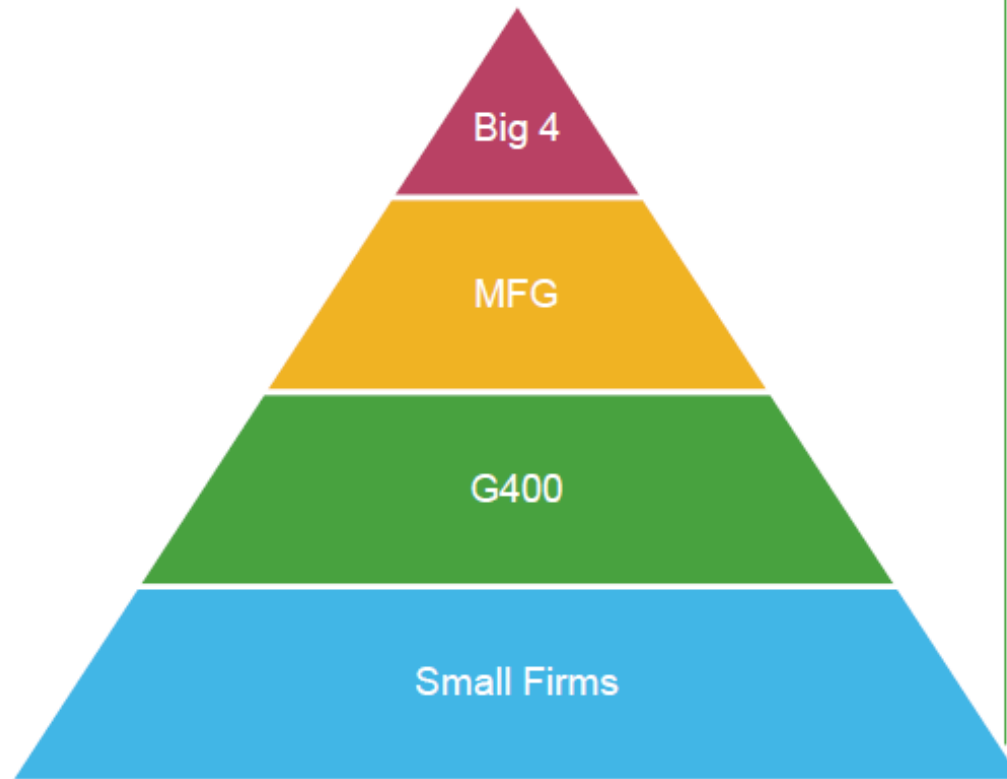
**A roadmap for accounting and finance professionals** to understand and leverage the transformative impact of GenAI



[GenAI-Toolkit-CPAcom.pdf](#)



## US CPA Firm Segmentation



Sources: Accounting Today and Inside Public Accounting

### Estimated Revenue by Segment – 2024

#### Big 4:

- Total: \$91B
- Range: \$33B to \$12.6B

#### Major Firms Group (top 100 other than Big 4):

- Firms 5 to 16: Total \$23.8B Range: \$4B to \$1B
- Firms 17 to 100: Range: \$870M to \$62M

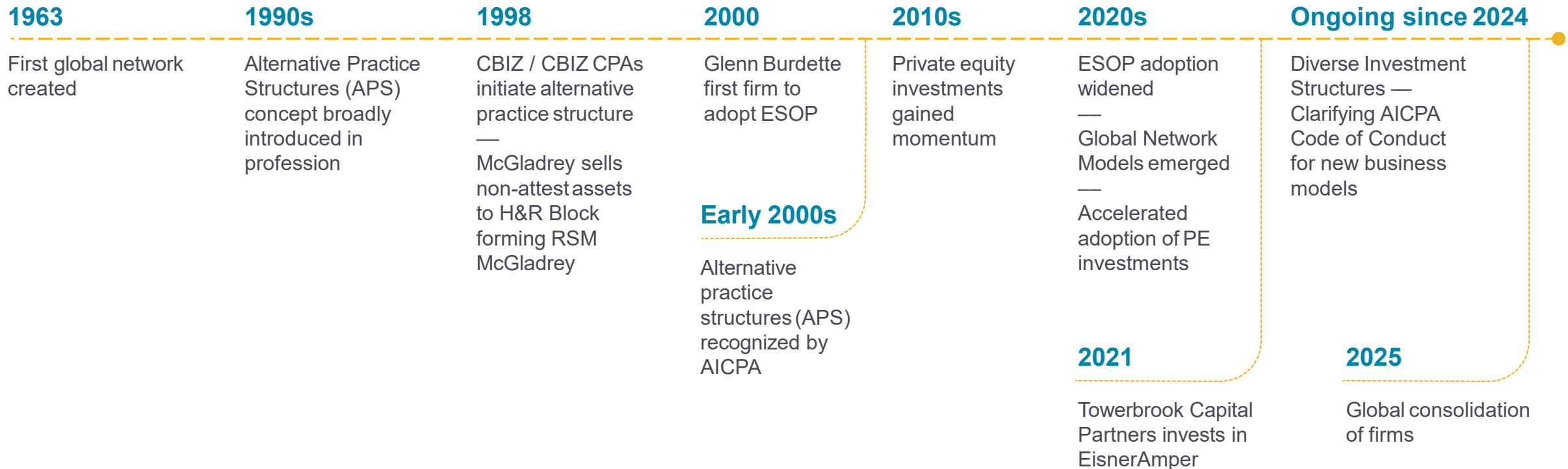
#### Group of 400 (G400) (firms 101 to 500):

- Firms 101 to 200: \$62M to \$25M
- Firms 201 to 300: \$23M to \$16M
- Firms 301 to 400: \$16M to \$10M
- Firms 401 to 500: \$10M to \$8M

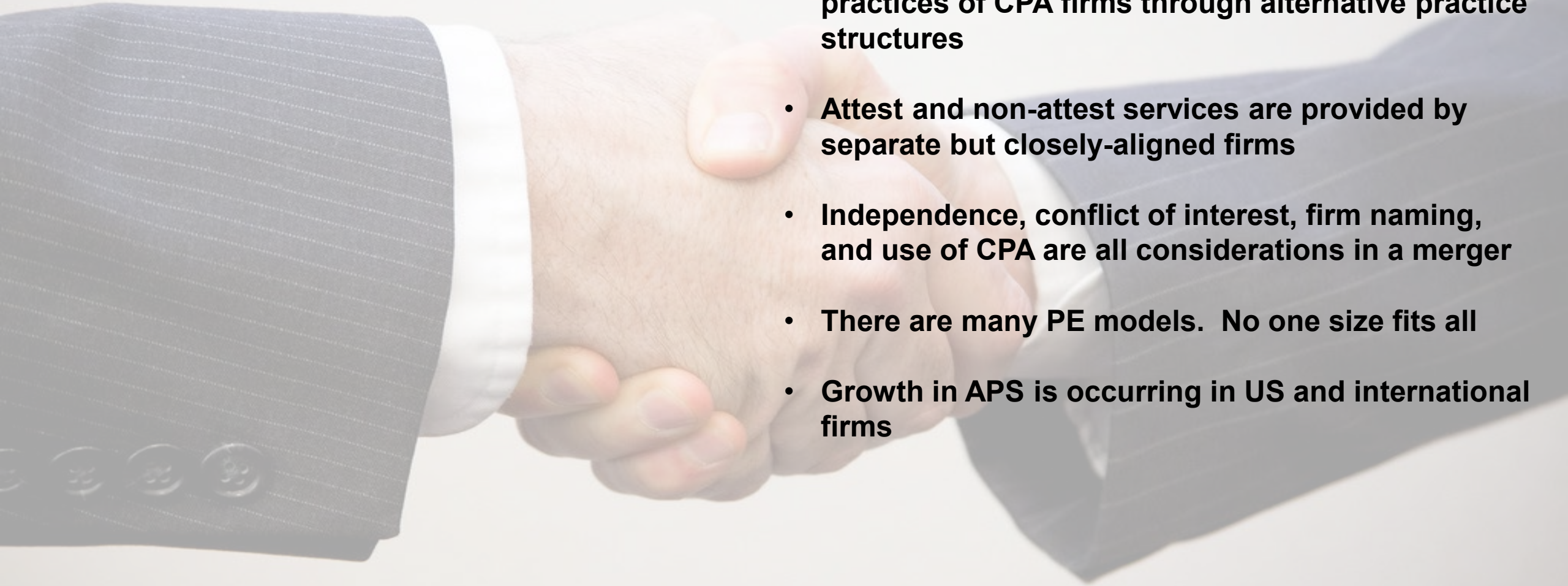
#### Small and medium firms

- Estimated to be 40,000 to 60,000 (including solo shops)
- Generally, under 30 professionals
- Revenue amount not reported

# Alternative Practice Structure Evolution



# Alternative Practice Structures



- **Private Equity Firms are investing in non-attest practices of CPA firms through alternative practice structures**
- **Attest and non-attest services are provided by separate but closely-aligned firms**
- **Independence, conflict of interest, firm naming, and use of CPA are all considerations in a merger**
- **There are many PE models. No one size fits all**
- **Growth in APS is occurring in US and international firms**

# 2020 - 2025 PE Activity

---

- \$28.7 billion of new capital poured into CPA firms from PE in the last six years
- Over 53 significant PE-related transactions occurred from 2020 through mid-2025
- PE has taken stakes in 10 of the 30 largest U.S. accounting firms
- Some PE-backed firms are aggressively pursuing mergers and acquisitions

Source CPA Trendlines Research August 26, 2025



# Workforce Development

# The Latest Pipeline Trends

**+12%**

Consecutive increase in **undergrad accounting major enrollments** in Fall 2024 and Spring 2025

National Student Clearinghouse  
Research Center

**50%**

Graduates entering CPA pipeline **sitting for CPA Exam** in 2024

AICPA CPA Exam data

**+74%**

Global hiring for accountants year over year

**+15%**

**Salary increases**

State of Global Hiring Report 2024

**+25%**

Salary increases for accountants in B&I compared to 2024

Datarails – The CFO's Office 2.0



# The Less is More Act of 2025

- **Additional CPA Licensure Pathway:**
  - 120 hours
  - 2 years of accounting experience
  - Passage of CPA Exam and AICPA Professional Ethics Exam
  - Maintains required accounting concentration
- **Mobility – Practice privileges granted if:**
  - Principal place of business is outside Tennessee
  - Posses valid CPA license in good standing from another jurisdiction and at the time of licensure showed evidence of successful completion of the CPA Exam.
- **Reciprocity– TN CPA license issued if:**
  - Possess a valid CPA license in good standing from another jurisdiction and at the time of licensure showed evidence of successful completion of the CPA Exam.

## Path 1:



## Path 2:



# CPA Pathways

# Regulatory and Legislative Update

## NEW LICENSES/PERMITS ISSUED

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	2021 Total
Individual Licenses	184	137	173	195	689
Firm Permits	22	18	13	16	69

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022 Total
Individual Licenses	147	133	183	148	611
Firm Permits	15	10	20	21	66

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	2023 Total
Individual Licenses	127	113	122	125	487
Firm Permits	22	12	11	24	69

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024 Total
Individual Licenses	153	144	153	166	616
Firm Permits	19	7	14	27	67

	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025 Total
Individual Licenses	126	122	162	-	410
Firm Permits	23	24	20	-	67

## Individual CPAs

	<b>Sept 2024</b>	<b>Dec 2024</b>	<b>Mar 2025</b>	<b>June 2025</b>	<b>Sept 2025</b>
Active	12,200	11,232	12,042	12,207	12,356
Closed	4,343	4,423	4,458	4,466	4,467
Expired License	4,266	4,254	4,227	4,623	4,614
Inactive	4,423	4,029	4,292	4,335	4,349
Retired 65	954	952	950	950	950
Expired Grace	0	1,473	520	0	0
Revoked	70	70	70	70	70
Retired	92	80	81	82	82
Disabled	31	29	30	30	30
Suspended	2	2	2	2	3
Active Military	4	3	4	4	4
Probation	2	0	0	1	1

Firms					
	Sept 2024	Dec 2024	Mar 2025	June 2025	Sept 2025
Active	1,746	1,494	1,708	1,725	1,743
Closed	2,720	2,758	2,783	2,789	2,793
Expired Grace	0	243	38	0	0
Expired License	431	430	427	458	455
Suspended	0	0	0	0	1
Revoked	30	29	29	29	29
Probation	0	0	0	0	0

<i>Results of audits processed to date:</i>	
Compliant	374
Compliant with carryover	33
Compliant with penalty completed (Licensee identified and corrected at renewal)	85
Compliant with penalty completed (Board staff identified)	41
Non-compliant, penalty not completed (Board staff identified)	15
Home state exemption	18
Removed from audit	3
<b>Total audits processed</b>	<b>569</b>

<i>Status of audits in process:</i>	
In process	1
No response [complaints issued]	13
<b>Total audits in process</b>	<b>14</b>

The logo consists of a large tan circle. Inside the circle is a black silhouette of a scale of justice. Below the scale is a white silhouette of the state of Tennessee. The text "STATE-SPECIFIC ETHICS" is written in black, bold, sans-serif capital letters across the white Tennessee shape.

STATE-SPECIFIC  
**ETHICS**

Standards for  
Tennessee CPAs

WEBCAST:  
Dec. 11, 2025

ON DEMAND:  
Expires March 31, 2026





# Filing Relief for Natural Disasters Act

## Expanded IRS Authority

The act allows IRS to postpone tax deadlines for state-declared disasters upon official request, expanding prior federal-only limitations.

## Extended Tax Deadlines

Federal tax deadlines for filing, payments, and retirement contributions are extended to provide relief for disaster-affected taxpayers.

## Increased Relief Period

Automatic extension period increased from 60 to 120 days for relief workers and affected individuals to ease recovery.

## Support for Recovery

The act reduces bureaucratic delays and supports quicker rebuilding for individuals and businesses impacted by disasters.

# 529 Plan Expansion

---

- H.R. 1 – Broadened the definition of qualified expenses
- Vocational programs, apprenticeships, credentialing, and licensing now covered
- Includes curriculum materials, tutoring, and standardized tests
- Took effect July 2025



# State Legislative & Regulatory Landscape

## CPA LICENSING

Deregulation  
Modernize UAA

## WORKFORCE

New CPA  
Pathway  
Preserve  
Mobility

## TAX

Tax on Services  
SALT Deductions

## AUDIT AND ASSURANCE

ESG Reporting  
PE Ownership

## FINTECH

AI  
Digital Assets

## LEADERSHIP

Coalitions  
Advocacy Resources

# National Legislative & Regulatory Landscape

## CPA LICENSING

Deregulation  
Modernize UAA

## STEM

## Tax policy

Reconciliation  
2.0

Bipartisan Tax  
Administration

## AUDIT AND ASSURANCE

ESG Reporting  
PE Ownership

## FINTECH

AI  
Digital Assets

## SHUTDOWN TAX RELIEF

Discontinue compliance actions  
Provide targeted estimated and late payment penalty  
relief  
Maintain all online systems and accounts

When you're finished  
changing, you're finished.

-Benjamin Franklin

---

# Questions