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October 11, 1999

Department of Business and Professional Regulation
State Board of Accountancy
2610 NW 43rd Street
Gainesville FL 32606

Dear Ms. Willis,

In response to your letter of October 6, 1999, regarding specific procedures for requesting an opinion from the Board, following is the situation restated to comply with the procedures:

1) "A complete statement of situation which must be hypothetical".

Let's assume, hypothetically speaking, that I am currently practicing as a sole proprietor and would like to incorporate my CPA practice to reduce personal liability and self-employment taxes. However, I want to be certain that no laws, rules, regulations or provisions would be violated if my sole proprietorship does become an S-Corporation.

2) "The request must contain:

(1) "Specific questions relating to the situation presented."

A) If the corporation referred to in the above hypothetical situation was an S-Corporation, would this violate any laws, rules, regulations or ethical provisions pertaining to CPA's?

B) If this is an acceptable way to operate, is the CPA-shareholder protected from liability to the same extent that a sole shareholder of a non-CPA S-Corporation would be ?

C) If the corporation referred to above in the hypothetical situation was an S-Corporation with one shareholder who is a CPA and that same CPA-shareholder was also the only employee of the S-Corporation who is a CPA, can PA (Professional Association) be used

after the name (for example, John P. Arvin, CPA, PA)?

D) If the corporation referred to above in the hypothetical situation was an S-Corporation, would the corporation qualify as a public accounting corporation as referred to in Section 61H1-26.002 of the Florida Administrative Code?

(2) "Citations to and discussion of the pertinent law and rules."

A) The only pertinent law and rules that I am aware of is referred to above.

(3) "Conclusions drawn for each question asked, based on the law and rules."

A) I conclude that it would be permissible for a CPA practicing as a sole proprietor to become an S-Corporation and have the same liability protection as any other S-Corporation.

B) I conclude that it would be permissible for a CPA firm operating as a S-Corporation with one shareholder who is a CPA and that same CPA-shareholder also being the only employee of the S-Corporation who is a CPA to use PA after the name (hypothetically speaking, John P. Arvin, CPA, PA)

C) I conclude that an S-Corporation qualifies as a public accounting corporation as referred to in Section 61H1-26.002 of the Florida Administrative Code.

Thank you for your timely consideration of this request for an opinion.

Very truly yours,
John P. Arvin
Certified Public Accountant