

S 1767

Auditor Independence and Tax Shelters Act

**Congress:** 108 (2003–2005, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Oct 21, 2003

**Current Status:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as

**Latest Action:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S12978) (Oct 21, 2003)

**Official Text:** <https://www.congress.gov/bill/108th-congress/senate-bill/1767>

Sponsor

**Name:** Sen. Levin, Carl [D-MI]

**Party:** Democratic • **State:** MI • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Baucus, Max [D-MT]	D · MT		Oct 21, 2003
Sen. McCain, John [R-AZ]	R · AZ		Oct 21, 2003

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Oct 21, 2003

Subjects & Policy Tags

**Policy Area:**

Finance and Financial Sector

Related Bills

No related bills are listed.

Auditor Independence and Tax Shelters Act - Amends the Securities Exchange Act of 1934 to prohibit a registered public accounting firm from providing tax shelter services to their audit clients.

Defines tax shelter services as services provided by a registered public accounting firm (or by an associated person of that firm) to an issuer, or an officer or director of an issuer, to design, organize, promote, assist, or execute any investment, entity, plan, arrangement, or transaction for which a significant purpose is the avoidance or evasion of Federal income tax by such issuer, or an officer or director of such issuer, whether acting as a direct or indirect participant, and for which such firm may receive fees in excess of \$100,000 in the aggregate.

Requires an audit committee, as a prerequisite to its approval of a non-audit service, to determine whether a reasonable likelihood exists that the service would impair the independence of the registered public accounting firm by resulting in the firm's: (1) auditing its own work for the issuer; (2) performing a management function for the issuer; (3) advocating in a public forum for the issuer; or (4) promoting the stock or other financial interest of the issuer.

Prohibits the audit committee from providing advance approval of such service if it determines that such a reasonable likelihood exists.

### **Actions Timeline**

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- **Oct 21, 2003:** Introduced in Senate
- **Oct 21, 2003:** Sponsor introductory remarks on measure. (CR S12976-12978)
- **Oct 21, 2003:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (text of measure as introduced: CR S12978)